

**Stellat'en First Nation
Consolidated Financial Statements
*March 31, 2015***

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Stellat'en First Nation

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For the year ended March 31, 2015

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Management's Responsibility

To the Members of Stellat'en First Nation:

The accompanying consolidated financial statements of Stellat'en First Nation are the responsibility of management and have been approved by the Chief and Council.

Management is responsible for the preparation and presentation of the accompanying consolidated financial statements, including responsibility for significant accounting judgments and estimates in accordance with Canadian public sector accounting standards. This responsibility includes selecting appropriate accounting principles and methods, and making decisions affecting the measurement of transactions in which objective judgment is required.

In discharging its responsibilities for the integrity and fairness of the consolidated financial statements, management designs and maintains the necessary accounting systems and related internal controls to provide reasonable assurance that transactions are authorized, assets are safeguarded and financial records are properly maintained to provide reliable information for the preparation of consolidated financial statements.

The Stellat'en First Nation Council is responsible for overseeing management in the performance of its financial reporting responsibilities, and for approving the consolidated financial statements. The Council fulfills these responsibilities by reviewing the financial information prepared by management and discussing relevant matters with management and external auditors. The Council is also responsible for recommending the appointment of the Nation's external auditors.

MNP LLP is appointed by the Members to audit the consolidated financial statements and report directly to them; their report follows. The external auditors have full and free access to, and meet periodically and separately with, both the Council and management to discuss their audit findings.

July 23, 2015

Band Administrator

Independent Auditors' Report

To the Members of Stellat'en First Nation:

We have audited the accompanying consolidated financial statements of Stellat'en First Nation, which comprise the consolidated statement of financial position as at March 31, 2015, and the consolidated statements of operations and accumulated surplus, changes in net financial assets (net debt) and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the consolidated Financial Statements

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

Auditors' Responsibility

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

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

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

The Nation was unable to provide a listing of the opening tangible capital assets at historical cost. We were unable to verify the existence, completeness and valuation of the tangible capital assets. We were also unable to verify the existence, completeness and valuation of the opening accumulated surplus as a result of the matter.

Qualified Opinion

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, the consolidated financial statements present fairly in all material respects the financial position of Stellat'en First Nation as at March 31, 2015 and the results of its operation, changes in net financial assets (net debt) and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Other Matters

The financial statements of the Nation for the year ended March 31, 2014 were audited by another firm of public accountants who issued a qualified audit opinion on July 8, 2014.

Prince George, British Columbia

July 23, 2015

MNP LLP
Chartered Accountants

Stellat'en First Nation
Consolidated Statement of Financial Position
As at March 31, 2015

	2015	2014
Financial assets		
Cash - unrestricted	709,897	1,121,791
Accounts receivable (Note 3)	455,325	184,071
Portfolio investments (Note 4)	1,103,806	-
Funds held in trust (Note 5)	2,225	71,899
Deficit from Nation business entities (Note 6)	(347,855)	-
Advances to related parties (Note 7)	394,008	-
	2,317,508	1,377,761
Liabilities		
Accounts payable and accruals	209,965	211,646
Deferred income	-	49,254
Long-term debt (Note 9)	1,606,311	1,119,354
Deposits payable	-	18,750
	1,816,276	1,399,004
Net financial assets (net debt)	501,230	(21,243)
Contingencies (Note 10)		
Non-financial assets		
Tangible capital assets (Schedule 1)	4,527,811	4,065,572
Inventory	-	50,678
Prepaid expenses	27,952	108,558
	4,555,763	4,224,808
Accumulated surplus (Note 11)	5,056,893	4,203,565

Approved on behalf of the Council



Chief



Councillor



Stellat'en First Nation
Consolidated Statement of Operations and Accumulated Surplus
For the year ended March 31, 2015

	<i>Schedules</i>	<i>2015 Budget (Note 15)</i>	<i>2015</i>	<i>2014</i>
Revenue				
Aboriginal Affairs Northern Development Canada (Note 13)		1,956,826	2,086,807	1,795,804
Slenyah Store sales		-	-	3,211,128
Ottawa trust funds		-	3,302	2,147
Health Canada		74,090	78,164	73,090
Resource industry revenue		2,097,489	1,856,703	1,768,455
Carrier Sekani Family Services		150,769	220,161	130,053
Prince George Aboriginal Employment and Training		87,261	61,493	76,780
Province of British Columbia		109,500	106,462	140,414
Other revenue		841,992	258,912	223,046
Earnings from investment in Nation business entities		-	56,136	-
Loss on disposal of equipment		-	-	(1,820)
		5,317,927	4,728,140	7,419,077
Expenses				
Band Government	3	615,859	815,278	722,230
Social Assistance	4	486,412	360,425	404,072
Education	5	865,129	631,675	733,192
Infrastructure Operations and Maintenance	6	295,958	327,433	319,909
Economic Development	7	381,277	403,687	3,912,347
Community Health	8	368,105	360,591	357,114
Other	9	1,659,240	724,998	691,891
Capital	10	313,697	250,627	334,334
Total expenditures		4,983,677	3,874,712	7,475,089
Annual surplus (deficit)		334,250	853,428	(56,012)
Accumulated surplus, beginning of year		4,203,565	4,203,565	4,259,577
Accumulated surplus, end of year		4,537,815	5,056,993	4,203,565

The accompanying notes are an integral part of these financial statements

Stellat'en First Nation
Consolidated Statement of Change in Net Financial Assets (Net Debt)
For the year ended March 31, 2015

	2015 <i>Budget</i> <i>(Note 15)</i>	2015	2014
Annual surplus (deficit)	334,251	853,428	(56,012)
Purchases of tangible capital assets	-	(779,452)	(34,428)
Loss on disposal of tangible capital assets	-	-	1,820
Transfer of tangible capital assets to related party	-	126,781	-
Amortization of tangible capital assets	-	190,459	199,204
Change in inventory	-	50,678	41,473
Acquisition of prepaid expenses	-	-	(51,264)
Use of prepaid expenses	-	80,599	-
Increase in net financial assets (net debt)	334,251	522,473	100,793
Net debt, beginning of year	(21,243)	(21,243)	(122,036)
Net financial assets (net debt), end of year	313,008	501,230	(21,243)

The accompanying notes are an integral part of these financial statements

Stellat'en First Nation
Consolidated Statement of Cash Flows
For the year ended March 31, 2015

	2015	2014
Cash provided by (used for) the following activities		
Operating activities		
Annual surplus (deficit)	853,428	(56,012)
Non-cash items		
Amortization	190,459	199,204
Bad debts	(8,799)	-
Earnings from investment in Nation business entities	(56,136)	-
Loss on disposal of equipment	-	1,820
Interest income in Ottawa Trust Fund	(3,302)	(2,147)
Gain on disposal of investments	(8,295)	-
AANDC funded capital project	227,307	-
	1,194,662	142,865
Changes in working capital accounts		
Accounts receivable	(271,254)	292,675
Prepaid expenses	80,599	(51,264)
Inventory	50,678	41,473
Portfolio investments	(1,103,806)	-
Deferred income	(49,254)	(154,634)
Accounts payable and accruals	(2,174)	(573,284)
Deposits payable	(18,750)	18,750
	(119,299)	(283,419)
Financing activities		
Advances of long-term debt	500,000	-
Repayment of long-term debt	(13,043)	(9,571)
	486,957	(9,571)
Capital activities		
Purchases of tangible capital assets	(779,452)	(34,428)
Decrease in cash resources	(411,794)	(327,418)
Cash resources, beginning of year	1,121,791	1,449,209
Cash resources, end of year	709,997	1,121,791

The accompanying notes are an integral part of these financial statements

Stellat'en First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2015

1. Operations

Stellat'en First Nation (the "Nation") is located in the Province of British Columbia, and provides various services to its members. Stellat'en First Nation includes the Nation's members, government and all related entities that are accountable to the Nation and are either owned or controlled by the Nation.

2. Significant accounting policies

These consolidated financial statements are the representations of management, prepared in accordance with Canadian public sector accounting standards and include the following significant accounting policies:

Reporting entity

The financial statements consolidate the financial activities of all entities and departments comprising the Nation reporting entity, except for Nation business entities. Trusts administered on behalf of third parties by Stellat'en First Nation are excluded from the Nation reporting entity.

Stellat'en First Nation business entities, owned or controlled by the Nation's Council but not dependent on the Nation for their continuing operations, are included in the financial statements using the modified equity method. Under the modified equity method, the equity method of accounting is modified only to the extent that the business entity accounting principles are not adjusted to conform to those of the Nation. Thus, the Nation's investment in these entities is recorded at acquisition cost and is increased for the proportionate share of post acquisition earnings and decreased by post acquisition losses and distributions received. Entities accounted for by the modified equity basis include:

- 0987339 BC Ltd.
- Stellako Custom Wood Ltd.

Basis of presentation

Sources of revenue and expenses are recorded on the accrual basis of accounting. The accrual basis of accounting recognizes revenue as it becomes available and measurable; expenses are recognized as they are incurred and measurable as a result of the receipt of goods or services and the creation of a legal obligation to pay.

Tangible capital assets

Tangible capital assets are initially recorded at cost. Contributed tangible assets are recorded at their fair value at the date of contribution.

All intangible assets and items inherited by the rights of the Nation, such as reserve land, forests, water and mineral resources are not recognized in the Nation's consolidated financial statements.

Tangible capital assets are amortized over the expected useful life using the declining balance basis at the following rates. In the year of acquisition, amortization is taken at one-half of the rates below.

Automobile	30 %
Building and infrastructure	4 %
Computer equipment	55 %
Machinery and equipment	30 %
Office equipment	30 %

Stellat'en First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2015

2. Significant accounting policies (Continued from previous page)

Funds held in Ottawa Trust

Funds held in trust on behalf of Nation members by the Government of Canada in the Ottawa Trust Fund are reported on the statement of financial position. Trust monies consist of:

- Capital trust monies derived from non-renewable resource transactions on the sale of land or other Nation tangible capital assets; and
- Revenue trust monies generated primarily through land leasing transactions or interest earned on deposits held in trust.

Net financial assets (net debt)

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

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 future operations. Non-financial assets are acquired, constructed or developed assets that do not normally provide resources to discharge existing liabilities but are employed to deliver government services, may be consumed in normal operations and are not for resale in the normal course of operations. Non-financial assets include tangible capital assets, inventory and prepaids expenses.

Revenue recognition

ii) Government Funding

The Nation recognizes a government transfer as revenue when the transfer is authorized and all liability criteria, if any, have been met. A government transfer with stipulations giving rise to an obligation that meets the definition of a liability is recognized as a liability. In such circumstances, the Nation recognizes revenue as the liability is settled. Transfers of non-depreciable assets are recognized in revenue when received or receivable.

ii) Ottawa Trust Funds revenue

The Nation recognizes revenues of the Capital and Revenue Trust Fund at the time funds are contributed from the accounts held in Ottawa. Interest revenue is recognized when earned.

iii) Other revenue

Revenue such as resources industry revenue, administration fee revenue, and other revenue is recognized when the performance is achieved, amounts are reasonably estimated and the collection is reasonably assured.

Financial Instruments

The Nation's financial instruments consists of cash, funds held in trust, accounts receivable, portfolio investments, advances to Nation business entities, accounts payable and accruals, and long term debt. Unless otherwise noted, it is management's opinion that the Nation is not exposed to significant interest, currency or credit risk arising from these financial instruments.

Stellat'en First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2015

2. Significant accounting policies (Continued from previous page)

Measurement uncertainty

The preparation of consolidated financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenue and expenses during the reporting period. Accounts receivable are stated after evaluation as to their collectability and an appropriate allowance for doubtful accounts is provided where considered necessary. Amortization is based on the estimated useful lives of tangible capital assets. Liabilities for contaminated sites are estimated based on the best information available regarding potentially contaminated sites that the Nation is responsible for. These estimates are reviewed periodically and, as adjustments become necessary, they are reported in surplus in the periods in which they become known.

Long-lived assets

Long-lived assets consists of tangible capital assets. Long-lived assets held for use are measured and amortized as described in the applicable accounting policies.

The Nation performs impairment testing on long-lived assets held for use whenever events or changes in circumstances indicate that the carrying amount of an asset, or group of assets, may not be recoverable. Impairment losses are recognized when an asset's service potential is reduced. Impairment is measured as the amount by which the asset's carrying amount exceeds its fair value. Any impairment is included in surplus for the year. Prices for similar items are used to measure fair value of long-lived assets.

The Nation does not perform impairment testing on its long-lived assets that are held for public administration and situated on its reserve land as it is not possible to determine their fair market value.

Segments

The Nation conducts its business through a number of reportable segments as described in Note 13. These operating segments are established by senior management to facilitate the achievement of the Nation's long-term objectives to aid in resource allocation decisions, and to assess operational performance.

For each reported segment, revenue and expenses represent both amounts that are directly attributable to the segment and amounts that are allocated on a reasonable basis.

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

Portfolio investments

Long-term investments in entities that are not owned, controlled, or influenced by the Nation reporting entity are accounted for using the cost method. They are recorded at cost, less any provision for other than temporary impairment.

Liability for contaminated site

A liability for remediation of a contaminated site is recognized at the best estimate of the amount required to remediate the contaminated site when contamination exceeding an environmental standard exists, the Nation is either directly responsible or accepts responsibility, it is expected that future economic benefits will be given up, and a reasonable estimate of the amount is determinable. The best estimate of the liability includes all costs directly attributable to remediation activities and is reduced by expected net recoveries based on information available at March 31, 2015.

Stellat'en First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2015

2. Significant accounting policies (Continued from previous page)

At each financial reporting date, the Nation reviews the carrying amount of the liability. Any revisions required to the amount previously recognized is accounted for in the period revisions are made. The Nation continues to recognize the liability until it is settled or otherwise extinguished. Disbursements made to settle the liability are deducted from the reported liability when they are made.

Recent accounting pronouncements

Financial instruments

In June 2011, the Public Sector Accounting Board (PSAB) issued PS 3450 *Financial Instruments* to establish standards for recognition, measurement, presentation and disclosure of financial assets, financial liabilities and non-financial derivatives. As a result of issuance of PS 3450, there have been numerous consequential amendments made to other Sections. PS 3450 is effective for fiscal years beginning on or after April 1, 2016. Earlier adoption is permitted.

PS 3450 is applied prospectively in the fiscal year of initial adoption; therefore, financial statements of prior periods, including comparative information, are not restated. The Nation has not yet determined the effect of these new standards on its consolidated financial statements.

3. Accounts receivable

	2015	2014
Aboriginal Affairs and Northern Development Canada	112,946	30,350
Federal government	33,401	40,701
First Nation Health Authority	2,000	2,000
Carrier Sekani Family Services	34,907	28,668
Members of the Nation	20,305	11,704
Other	251,766	70,648
	<hr/>	<hr/>
	455,325	184,071

4. Portfolio investments

	2015	2014
Portfolio investments held in CIBC Wood Gundy	1,103,806	-

The funds can only be used with the consent of the membership. Market value of portfolio investments is \$1,141,997.

The fee paid to maintain the portfolio investments in CIBC Wood Gundy for the year ended March 31, 2015 is \$4,285 (2014 - nil).

Stellat'en First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2015

5. Funds held in trust

Capital and revenue trust monies are transferred to the Nation on the authorization of the Minister of Aboriginal Affairs and Northern Development Canada, with the consent of the Nation's council.

	2015	2014
Capital Trust		
Balance, beginning of the year	2,202	2,202
Balance, end of the year	2,202	2,202
Revenue Trust		
Balance, beginning of the year	69,697	67,551
Interest	2,075	949
Special (British Columbia)	1,227	1,197
Withdrawal	(72,976)	-
Balance, end of the year	23	69,697
	2,225	71,899

The Ottawa Trust accounts arise from monies derived from capital or revenue sources as outlined in Section 62 of the Indian Act. These funds are held in trust in the Consolidated Revenue Fund of the Government of Canada and are subject to audit by the Office of the Auditor General of Canada. The management of these funds is primarily governed by Sections 63 to 69 of the Indian Act.

6. Deficit from Nation business entities

The Nation has investments in the following entities:

	<i>Investment cost</i>	<i>Loss</i>	<i>Change in classification of the government business entities</i>	2015
Wholly-owned Businesses:				
Stellako Custom Wood Ltd.	40	(1,500)	(1,500)	(2,960)
0987339 BC Ltd.	1	(308,179)	(36,717)	(344,895)
	41	(309,679)	(38,217)	(347,855)

Continued on next page

Stellat'en First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2015

6. Investments in First Nation partnerships and business entities (Continued from previous page)

Investments in Nation's wholly-owned businesses were consolidated into the financial statements of the Nation in the 2014 year-end.

The financial statements of Stellako Custom Wood Ltd. and 0987339 BC Ltd. are not audited.

Summary financial information for each Nation business enterprise, accounted for using the modified equity method, for their respective year-end is as follows:

	<i>Stellako Custom Wood Ltd.</i> <i>As at March 31, 2015</i>	<i>0987339 BC Ltd. As at March 31, 2015</i>
Assets		
Security deposit	7,680	-
Prepaid expenses	14,312	-
Total assets	21,992	-
Liabilities		
Accounts payable and accruals	1,500	6,000
Deposits	14,312	-
Due to shareholder	9,140	-
Advances to related parties	-	18,055
Deficiency in partnership investment	-	320,840
Total liabilities	24,952	344,895
Shareholder's deficit	(2,960)	(344,895)
Total revenues	18,944	-
Total expenses	20,444	308,179
	(1,500)	(308,179)

Stellat'en First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2015

7. Advances to related parties

	2015	2014
Demand promissory note		
Slenyah Store Limited Partnership	353,605	-
Advances from related parties		
Stellat'en Duchun Forestry Inc.	7,910	-
Stellat'en Duchun Forestry Limited Partnership	3,250	-
Stellat'en Holdings Inc.	6,712	-
Slenyah Store Inc.	1,834	-
Slenyah Store Limited Partnership	(163,701)	-
Stellat'en Holdings Limited Partnership	173,758	-
	29,763	-
Advances from Nation business entities		
0987339 BC Ltd.	1,500	-
Stellako Custom Wood Ltd.	9,140	-
	10,640	-
	394,008	-

Demand promissory note and advances to Nation business entities are unsecured, non-interest bearing and no set terms of repayment.

8. Bank Indebtedness

At March 31, 2015, the Nation had a revolving line of credit totaling \$100,000 (2014 – \$200,000), none of which was drawn. The following has been collateralized in connection with this line of credit:

- General security agreement;
- Band Council Resolution authorizing borrowings and pledge of security; and
- Unlimited hypothecation on portfolio investment (market value of \$1,141,977).

Stellat'en First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2015

9. Long-term debt

	2015	2014
Carrier Sekani Tribal Council Treaty Negotiation Loan (see below for details)	1,097,273	1,097,273
Ford Credit loan, repayable in monthly installments of \$690 including interest at 5.89%, secured by specific equipment with a net book value of \$12,407 (2014 - \$17,724)	13,800	22,080
CIBC demand instalment loan, repayable in monthly instalments of \$2,774 including interest at 3.49%, secured by portfolio investments (market value of \$1,141,977) and a Band Council Resolution authorizing borrowings and pledge of security	495,238	-
	1,606,311	1,119,353

Principal repayments on long-term debt in each of the next five years, assuming long-term debt subject to refinancing is renewed, are estimated as follows:

2016	\$ 23,974
2017	1,120,198
2018	17,437
2019	18,055
2020	18,695
 Subtotal	 \$ 1,198,359
Thereafter	407,952
 Total	 \$ 1,606,311

Carrier Sekani Tribal Council Treaty Loan:

Stellat'en First Nation has signed a loan agreement representing advances made by Carrier Sekani Tribal Council for negotiation:

The loan is due and payable by Stellat'en First Nation on the earliest of the following dates:

1. The date that the loan becomes repayable by the Carrier Sekani Tribal Council, pursuant to the First Nation Loan Agreement between the Tribal Council and Canada;
2. November 3, 2016;
3. The seventh anniversary of the date of signing of an Agreement-In-Principle by the Carrier Sekani Tribal Council;
4. The date on which a treaty is signed by the Carrier Sekani Tribal Council;
5. The date on which the First Nation Loan Agreement between the Carrier Sekani Tribal Council and Canada is terminated;
6. The date on which the Carrier Sekani Tribal Council becomes insolvent or commits an act of bankruptcy; or
7. The date on which the Tribal Council winds up.

CIBC Demand Loan:

The First Nation must provide annual audit financial statements within 180 days.

Stellat'en First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2015

10. Contingencies

Stellat'en First Nation is indirectly a member of Carrier Sekani Tribal Council. The Tribal Council has entered into Negotiations Support Agreements on behalf of its members and carried out treaty negotiation with Canada and British Columbia. If Stellat'en First Nation is liable under the Negotiation Support Agreement, the amount is subject to redetermination and consequently indeterminable; and accordingly excluded from these financial statements. Subject to any treaty or further extension, the indebtedness to Canada is due November 2018.

Stellat'en First Nation is a defendant in several lawsuits and is involved in various actions related to land leases, environmental damages, third party liability, garnishment, indemnification, compensatory damages and contract breach. Management cannot determine whether any claims will be successful and cannot estimate the potential loss, if any.

11. Accumulated surplus

Accumulated surplus consists of the following:

	2015	2014
Equity in Ottawa Trust Funds	2,225	71,899
Equity in operating fund	1,383,850	88,175
Equity in tangible capital assets	4,018,773	4,043,491
<u>Investment in business entities (enterprise fund)</u>	<u>(347,855)</u>	-
	5,056,993	4,203,585

12. Economic dependence

Stellat'en First Nation receives a significant portion of its revenue from Aboriginal Affairs and Northern Development Canada (AANDC) as a result of funding agreements entered into with the Government of Canada. These funding agreements are administered by AANDC under the terms and conditions of the Indian Act. The ability of the Nation to continue operations is dependent upon the Government of Canada's continued financial commitments as guaranteed by these agreements.

13. AANDC funding reconciliation

	2015	2014
Direct Band Funding		
AANDC revenue per confirmation	2,062,885	1,795,804
Recovery	(399)	-
Anticipated recovery	(3,928)	-
<u>Anticipated additional subsidy from AANDC on the housing project</u>	<u>28,249</u>	-
	2,086,807	1,795,804

Stellat'en First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2015

14. Segments

The Nation receives revenues and incurs expenses from many different projects and sources. For management and reporting purposes, the revenues, expenses and surplus or deficits are attributed to the following segments:

Band Government:

Includes general operations, support, and financial management of the Nation.

Social Assistance:

Includes revenues and expenses relating to the social assistance of members of the Nation.

Education:

Includes revenues and expenses relating to the primary, secondary and post secondary education of the members of the Nation.

Infrastructure Operations and Maintenance:

Includes operations and maintenance of buildings and infrastructure held by the Nation.

Economic Development:

Includes activities related to the growth of revenue producing projects within the Nation.

Community Health:

Includes activities related to the provision of health services within the Nation.

Community:

Includes revenue and expenditures related to programs put on to support the Stellat'en First Nation community.

Capital:

Includes revenue and expenditures related to capital projects.

15. Budget information

The disclosed budget information has been approved by the Chief and Council of Stellat'en First Nation at the Chief and Council meeting held on September 15, 2014. The budget information on the Statement of Operations and Accumulated Surplus is presented using the same accounting policies as the actual results. A reconciliation from those results to the surplus amount budgeted by Chief and Council is included below:

Budgeted surplus per Statement of Operations	334,250
Adjusted for:	
Transfers	(41,480)
Prior period surplus	(23,501)
Budgeted surplus as approved by Chief and Council	269,289

16. Comparative figures

Prior years figures have been restated to conform with the current presentation.

17. Change in accounting policy

Effective April 1, 2014, the Nation adopted the recommendations relating to PS3260 *Liability for Contaminated Sites*, as set out in the Canadian public sector accounting standards. Pursuant to the recommendations, the change was applied retroactively, and prior periods have been restated.

Stellat'en First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2015

Previously, no accounting policy existed to account for a liability for contaminated sites. Under the new recommendations, the Nation is required to recognize a liability for contaminated sites when economic benefits will be given up, as described in Note 2 *Significant Accounting Policies*.

There was no effect on the Nation's financial statements of adopting the above-noted change in accounting policy.

Stellat'en First Nation

Schedule 1 - Consolidated Schedule of Tangible Capital Assets

For the year ended March 31, 2015

	<i>Automobile</i>	<i>Building and Infrastructure</i>	<i>Computer equipment</i>	<i>Machinery and equipment</i>	<i>Office equipment</i>	2015	2014
Cost							
Balance, beginning of year	133,595	7,054,499	30,382	597,035	278,624	8,094,135	8,066,554
Acquisition of tangible capital assets	-	777,060	2,392	-	-	779,452	34,428
Disposal of tangible capital assets	-	(169,441)	(28,055)	(154,734)	(19,443)	(371,673)	(6,847)
Balance, end of year	133,595	7,682,118	4,719	442,301	259,181	8,501,914	8,094,135
Accumulated amortization							
Balance, beginning of year	109,262	3,088,475	26,510	563,559	260,757	4,028,563	3,834,386
Annual amortization	7,300	170,613	1,937	6,192	4,416	180,458	189,204
Accumulated amortization on disposals	-	(80,213)	(26,510)	(141,899)	(16,296)	(244,918)	(5,027)
Balance, end of year	116,562	3,178,875	1,937	427,852	248,877	3,974,103	4,028,563
Net book value of tangible capital assets	17,033	4,483,243	2,782	14,449	10,304	4,527,811	4,065,572
2014 Net book value of tangible capital assets	24,333	3,988,829	2,326	35,362	14,722	4,085,572	

Stellat'en First Nation
Schedule 2 - Schedule of Consolidated Expenses by Object
For the year ended March 31, 2015

	2015 Budget (Note 15)	2015	2014
Consolidated expenses by object			
Allowances	525,407	301,391	360,447
Amortization	-	190,459	199,204
Bad debts (recovery)	-	(8,799)	40,990
Contract services	748,225	679,108	636,177
General and administrative expenses	298,519	315,527	337,118
Honouraria	135,180	122,841	137,356
Insurance	29,753	35,104	25,907
Interest and bank charges (Note 4)	9,800	8,526	8,140
Licenses and memberships	11,648	14,804	27,402
Litigation	-	91,518	57,577
Office	876,179	609,309	616,894
Professional development	8,400	17,910	6,376
Professional fees	831,953	334,176	410,608
Repairs and maintenance	197,707	16,446	100,727
Sliyah Store cost of sales	-	-	2,965,270
Supplies	126,233	73,856	106,056
Telephone	32,235	34,914	40,432
Travel and Training	182,760	107,861	97,112
Utilities	43,073	55,251	57,156
Wages and benefits	926,605	874,710	1,244,140
	4,983,677	3,874,712	7,475,089

Stellat'en First Nation

Band Government

Schedule 3 - Consolidated Schedule of Revenue and Expenses and Accumulated Deficit

For the year ended March 31, 2015

	2015 Budget (Note 15)	2015	2014
Revenue			
Aboriginal Affairs and Northern Development Canada	205,759	288,450	220,823
Ottawa trust funds	-	3,302	2,147
Resource industry revenue	433,770	376,641	307,866
Province of British Columbia	7,500	5,056	7,705
Other revenue	2,400	37,179	72,674
	649,429	710,628	611,215
Expenses			
Bad debts	-	(8,799)	40,990
Contract services	7,500	33,695	5,878
General and administrative expenses	-	1,480	-
Honoraria	114,000	117,923	114,005
Insurance	6,700	12,572	4,073
Interest and bank charges	1,500	8,526	3,265
Licenses and memberships	4,600	7,410	5,895
Litigation	-	91,518	57,577
Office	44,350	39,746	36,113
Professional development	8,400	17,910	6,376
Professional fees	24,000	87,729	48,112
Supplies	16,150	18,105	10,764
Telephone	16,900	19,534	18,665
Travel and Training	34,533	19,359	22,652
Utilities	6,500	5,840	6,308
Wages and benefits	330,726	342,750	343,558
	615,859	815,278	722,231
Annual surplus (deficit) before transfers	33,570	(104,650)	(111,016)
Transfers between programs	95,000	97,956	123,994
Annual surplus (deficit)	128,570	(6,694)	12,978
Accumulated deficit, beginning of year	(186,332)	(186,333)	(199,311)
Accumulated deficit, end of year	(57,762)	(193,027)	(186,333)

Stellat'en First Nation

Social Assistance

Schedule 4 - Consolidated Schedule of Revenue and Expenses and Accumulated Surplus

For the year ended March 31, 2015

	2015 Budget (Note 15)	2015	2014
Revenue			
Government funding			
Aboriginal Affairs and Northern Development Canada	441,321	436,994	442,377
Other revenue	-	-	4,650
Resource industry revenue	-	-	63,682
	441,321	436,994	510,709
Expenses			
Allowances	312,597	195,443	232,020
Contract services	400	340	-
General and administrative expenses	-	-	2,153
Honoraria	2,000	1,881	2,091
Office	67,136	65,828	65,493
Supplies	4,093	1,180	958
Telephone	3,085	2,594	2,228
Travel and Training	2,187	1,473	3,155
Wages and benefits	94,914	91,926	95,974
	486,412	360,425	404,072
Annual surplus (deficit) before transfers	(45,091)	76,569	106,637
Transfers between programs	30,094	40,900	(38,572)
Annual surplus (deficit)	(14,997)	117,469	68,065
Accumulated surplus, beginning of year	70,296	70,296	2,231
Accumulated surplus, end of year	55,299	187,785	70,296

Stellat'en First Nation

Education

Schedule 5 - Consolidated Schedule of Revenue and Expenses and Accumulated Surplus

For the year ended March 31, 2015

	2015 Budget (Note 15)	2015	2014
Revenue			
Aboriginal Affairs and Northern Development Canada	675,240	675,240	659,342
Health Canada	1,000	1,000	-
Other revenue	1,000	653	14,400
Prince George Aboriginal Employment and Training	7,362	7,362	7,029
	684,602	684,255	680,771
Expenses			
Allowances	212,810	105,948	128,428
Contract services	439,625	379,859	425,639
General and administrative expenses	29,405	35,778	44,045
Honoraria	-	-	4,904
Licenses and memberships	6,500	6,314	8,595
Office	37,756	13,276	30,256
Professional fees	300	600	361
Supplies	41,490	19,923	21,902
Telephone	2,300	2,247	2,228
Travel and Training	14,242	7,233	6,791
Wages and benefits	80,701	60,497	60,043
	865,129	631,675	733,192
Annual surplus (deficit) before transfers	(180,527)	52,580	(52,421)
Transfers between programs	(6,053)	(7,164)	(77,144)
Annual surplus (deficit)	(186,580)	45,416	(129,565)
Accumulated surplus, beginning of year	209,169	209,169	338,734
Accumulated surplus, end of year	22,589	254,585	209,169

Stellat'en First Nation
Infrastructure Operations and Maintenance
Schedule 6 - Consolidated Schedule of Revenue and Expenses and Accumulated Surplus
(Deficit)

For the year ended March 31, 2015

	2015 Budget (Note 15)	2015	2014
Revenue			
Aboriginal Affairs and Northern Development Canada	315,497	364,495	133,959
Resource industry revenue	20,000	20,000	13,500
Other revenue	8,000	22,624	23,732
	343,497	407,119	171,191
Expenses			
Contract services	3,200	609	1,758
Insurance	17,356	18,751	13,752
Interest and bank charges	8,300	-	-
Licenses and memberships	160	156	152
Office	89,770	137,192	118,705
Repairs and maintenance	26,709	15,840	19,259
Supplies	26,640	7,172	44,025
Telephone	5,050	6,286	5,938
Travel and Training	2,500	-	1,818
Utilities	33,773	47,194	40,381
Wages and benefits	82,500	94,233	74,341
	295,958	327,433	319,909
Annual surplus (deficit) before transfers	47,539	79,686	(148,718)
Transfers between programs	142,505	161,541	140,976
Annual surplus (deficit)	190,044	241,227	(7,742)
Accumulated surplus (deficit), beginning of year	(1,220)	(1,220)	6,522
Accumulated surplus (deficit), end of year	188,824	240,007	(1,220)

Stellat'en First Nation

Economic Development

Schedule 7 - Consolidated Schedule of Revenue and Expenses and Accumulated Surplus

For the year ended March 31, 2015

	2015 Budget (Note 15)	2015	2014
Revenue			
Aboriginal Affairs and Northern Development Canada	77,718	77,718	102,086
Slenyah Store sales	-	-	3,211,128
Resource industry revenue	709,000	741,063	542,487
Province of British Columbia	100,000	101,258	130,485
Other revenue	426,726	133,264	30,930
Carrier Sekani Family Services	-	61,291	-
Earnings from investment in Nation business entities	-	56,136	-
	1,313,444	1,170,730	4,017,096
Expenses			
Amortization	-	-	9,774
Contract services	75,000	63,436	81,711
General and administrative expenses	69,281	166,814	121,540
Honoraria	-	2,943	5,489
Insurance	-	-	3,415
Interest and bank charges	-	-	4,875
Licenses and memberships	104	740	12,700
Office	102,021	138,039	197,680
Professional fees	26,000	24,549	75,797
Repairs and maintenance	-	-	20,628
Slenyah store cost of sales	-	-	2,965,270
Supplies	-	1,543	15,113
Telephone	-	-	7,369
Travel and Training	79,411	20,319	9,519
Utilities	-	-	10,487
Wages and benefits	34,736	19,335	381,833
	386,553	437,718	3,923,200
Annual surplus before transfers	928,891	733,012	93,896
Transfers between programs	(263,505)	(269,038)	(201,714)
Annual surplus (deficit)	663,386	463,974	(107,818)
Accumulated surplus, beginning of year	347,325	363,538	471,356
Accumulated surplus, end of year	1,010,711	827,512	363,538

Stellat'en First Nation
Community Health
Schedule 8 - Consolidated Schedule of Revenue and Expenses and Accumulated Surplus
(Deficit)

For the year ended March 31, 2015

	2015 <i>Budget</i> <i>(Note 15)</i>	2015	2014
Revenue			
Aboriginal Affairs and Northern Development Canada	69,094	43,464	69,094
Health Canada	73,090	77,164	73,090
Carrier Sekani Family Services	150,769	158,871	130,053
Prince George Aboriginal Employment and Training	6,278	6,278	-
Province of British Columbia	2,000	148	2,224
Other revenue	22,466	19,312	37,591
	323,697	305,237	312,052
Expenses			
Contract services	500	1,890	2,531
General and administrative expenses	14,220	15,994	16,342
Insurance	5,697	3,781	4,667
Licenses and memberships	284	184	60
Office	72,084	70,866	66,431
Professional fees	-	209	-
Repairs and maintenance	3,000	602	2,129
Supplies	3,333	4,062	2,335
Telephone	4,900	4,254	4,005
Travel and Training	19,700	25,426	18,211
Utilities	2,800	2,217	-
Wages and benefits	239,587	231,106	240,403
	366,105	360,591	357,114
Annual deficit before transfers	(42,408)	(55,354)	(45,062)
Transfers between programs	1,959	(7,569)	29,234
Annual deficit	(40,449)	(62,923)	(15,828)
Accumulated surplus, beginning of year	42,617	42,617	58,445
Accumulated surplus (deficit), end of year	2,168	(20,306)	42,617

Stellat'en First Nation

Other

Schedule 9 - Consolidated Schedule of Revenue and Expenses and Accumulated Deficit

For the year ended March 31, 2015

	2015 Budget (Note 15)	2015	2014
Revenue			
Resource industry revenue	934,720	718,999	840,920
Prince George Aboriginal Employment and Training	73,621	47,853	69,731
Other revenue	381,400	36,135	35,860
	1,389,741	802,987	946,511
Expenses			
Amortization	-	-	1,431
Contract services	220,000	198,398	118,661
General and administrative expenses	177,726	88,584	127,816
Honoraria	19,180	315	10,887
Office	358,243	116,381	58,787
Professional fees	781,653	221,088	283,686
Supplies	16,427	3,891	10,878
Travel and Training	30,186	33,270	35,073
Wages and benefits	50,550	29,031	33,838
	1,653,965	690,966	681,037
Annual surplus (deficit) before transfers	(264,224)	112,021	265,474
Transfers between programs	-	2,410	(6,326)
Annual surplus (deficit)	(264,224)	114,431	259,148
Accumulated deficit, beginning of year	(857,427)	(873,639)	(1,132,787)
Accumulated deficit, end of year	(1,121,651)	(759,208)	(873,639)

Stellat'en First Nation
Capital
Schedule 10 - Consolidated Schedule of Revenue and Expenses and Accumulated
Surplus
For the year ended March 31, 2015

	2015 Budget (Note 15)	2015	2014
Revenue			
Aboriginal Affairs and Northern Development Canada	172,197	200,446	168,143
Other revenue	-	9,745	3,209
Loss on disposal of equipment	-	-	(1,820)
	172,197	210,191	169,532
 Expenses			
Amortization	-	190,459	188,000
Contract services	2,000	883	-
General and administrative expenses	7,888	6,888	25,222
Office	104,818	27,982	43,427
Professional fees	-	-	4,652
Repairs and maintenance	168,000	-	58,708
Supplies	18,100	18,001	82
Travel and Training	-	582	93
Wages and benefits	12,891	5,832	14,150
	313,697	250,627	334,334
Annual deficit before transfers	(141,500)	(40,436)	(164,802)
Transfers between programs	-	(18,038)	29,552
Annual deficit	(141,500)	(59,472)	(135,250)
Accumulated surplus, beginning of year	3,917,926	3,917,926	4,053,176
Accumulated surplus, end of year	3,776,426	3,858,454	3,917,926