

Consolidated Financial statements of

# **Nak'azdli Indian Band**

March 31, 2016



# NAK'AZDLI WHUT'EN

P.O. Box 1329, Fort St. James, B.C. V0J 1P0  
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## **Nak'azdli Indian Band**

March 31, 2016

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## Management's Responsibility for Financial Reporting

The accompanying consolidated financial statements of the Nak'azdli Indian Band (the "Band") and all the information in these consolidated financial statements are the responsibility of management and have been approved by the Chief and Council of the Band.

The consolidated financial statements have been prepared by management in accordance with Canadian public sector accounting standards. Financial statements are not precise since they include certain amounts based on estimates and judgments. When alternative accounting methods exist, management has chosen those it deems most appropriate in the circumstances, in order to ensure that the consolidated financial statements are presented fairly, in all material respects.

The Band maintains systems of internal accounting and administrative controls of high quality, consistent with reasonable cost. Such systems are designed to provide reasonable assurance that the financial information is relevant, reliable and accurate and the Band's assets are appropriately accounted for and adequately safeguarded.

The Chief and Council are responsible for ensuring that management fulfills its responsibilities for financial reporting and is ultimately responsible for reviewing and approving the consolidated financial statements. The Chief and Council review the Band's consolidated 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 to satisfy themselves that each party is properly discharging their responsibilities, and to review the consolidated financial statements and the external auditor's report. The Chief and Council takes this information into consideration when approving the consolidated financial statements for issuance to the members. The Chief and Council also consider the engagement of the external auditors.

The consolidated financial statements have been audited by Deloitte LLP in accordance with Canadian generally accepted auditing standards on behalf of the members. Deloitte LLP have full access to the Chief and Council.

  
Valerie Pierre  
Controller

  
Nicholette Prince  
Band Administrator



## Independent Auditor's Report

To the Chief and Council and Members of  
Nak'azdli Indian Band

We have audited the accompanying consolidated financial statements of Nak'azdli Indian Band, which comprise the consolidated statement of financial position as at March 31, 2016, and the consolidated statements of operations, accumulated surplus, changes in net financial assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Consolidated Financial Statements

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

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

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

## Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Nak'azdli Indian Band as at March 31, 2016 and the results of its operations, changes in its net financial assets and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

The image shows a handwritten signature in cursive script that reads "Deloitte LLP".

Chartered Professional Accountants

Prince George, British Columbia  
July 8, 2016

**Nak'azdli Indian Band**  
Consolidated statement of operations  
year ended March 31, 2016

	Budget	2016	2015
	\$	\$	\$
<b>Revenue</b>			
Indigenous and Northern Affairs Canada	5,985,438	6,573,162	6,430,242
Grocery store revenues (Sana'aih Market)	-	5,169,392	4,794,564
Logging revenues (Nak'al Koh Logging)	-	2,187,461	-
First Nations Health Authority	1,634,887	1,509,572	1,433,574
Other (Schedule C)	3,803,507	1,323,281	4,253,208
Gas station revenues (Nahounli Creek Gas Bar)	-	1,378,834	1,058,551
Lumber revenues (Ti'oh Forest Products)	-	1,017,790	4,102,750
Province of British Columbia and other government revenue	282,812	896,530	462,565
Prince George Nechako Aboriginal Employment and Training Association	458,957	606,823	461,739
Rental income	279,020	439,327	449,034
Investment income	-	369,517	399,985
Realized gain on disposal of marketable securities	-	145,202	307,622
Canada Mortgage and Housing Corporation	48,149	50,782	57,950
Daycare fees	20,000	5,405	14,191
Equity income of incorporated entities (Note 8)	-	-	708,297
	12,512,770	21,673,078	24,934,272
<b>Expenses (Note 18)</b>			
Band government	2,079,328	2,965,499	3,156,942
Education	3,135,879	2,826,710	3,070,901
Health	1,835,498	1,688,808	1,680,229
Social services	1,872,532	1,944,247	1,596,003
Restricted fund - capital	-	1,531,203	1,275,047
Housing	454,003	1,070,560	1,040,374
Economic development	-	529,910	932,833
Community services	435,734	549,071	452,618
Other services	547,951	432,405	486,875
Social housing	129,345	148,730	200,696
Capital services	968,274	499,212	370,413
Grocery stores expenses (Sana'aih Market)	-	5,421,289	5,232,039
Lumber mill expenses (Ti'oh Forest Products)	-	1,520,242	4,493,931
Gas station expenses (Nahounli Creek Gas Bar)	-	1,541,654	1,304,306
Logging expenses (Nak'al Koh Logging)	-	2,659,974	-
Realized loss on disposal of tangible capital assets	-	125,967	-
Equity loss of incorporated entities and limited partnerships (Note 8)	-	122,960	-
	11,458,544	25,578,441	25,293,207
<b>Annual surplus (deficit)</b>	<b>1,054,226</b>	<b>(3,905,363)</b>	<b>(358,935)</b>

The accompanying notes to the consolidated financial statements are an integral part of this financial statement.

# **Nak'azdli Indian Band**

## **Consolidated statement of accumulated surplus year ended March 31, 2016**

	<b>2 0 1 6</b>	<b>2 0 1 5</b>
	<b>\$</b>	<b>\$</b>
Accumululated surplus, beginning of year	<b>45,686,590</b>	46,045,525
Annual deficit	<b>(3,905,363)</b>	(358,935)
<b>Accumululated surplus, end of year (Note 13)</b>	<b>41,781,227</b>	<b>45,686,590</b>

The accompanying notes to the financial statements are an integral part of  
this financial statement.



# Nak'azdli Indian Band

## Consolidated statement of changes in net financial assets year ended March 31, 2016

	2016	2015
	\$	\$
<b>Annual deficit</b>	<b>(3,905,363)</b>	<b>(358,935)</b>
Decrease in prepaid expenses	40,351	60,666
Decrease in inventories	240,637	119,506
Acquisition of tangible capital assets	(3,411,827)	(2,584,912)
Amortization of tangible capital assets	2,881,934	2,084,418
Proceeds from disposal of tangible capital assets	238,592	3,609
Loss (gain) on sale of tangible capital assets	125,967	(419)
Decrease in net financial assets	(3,789,710)	(676,067)
Net financial assets, beginning of year	10,527,045	11,203,112
<b>Net financial assets, end of year</b>	<b>6,737,336</b>	<b>10,527,045</b>

The accompanying notes to the consolidated financial statements are an integral part of this financial statement.



# Nak'azdli Indian Band

## Consolidated statement of financial position as at March 31, 2016

	2016	2015
	\$	\$
<b>Financial assets</b>		
Cash (Note 3)	697,250	595,835
Marketable securities (Note 4)	10,121,223	10,105,972
Restricted cash (Note 5)	1,179,294	1,157,879
Accounts receivable (Note 6)	708,388	641,280
Timber sale deposits (Note 7)	57,831	29,162
Investments, loans and advances (Note 8)	4,415,434	4,590,241
Loans receivable (Note 9)	398,271	785,384
	<b>17,577,691</b>	<b>17,905,753</b>
<b>Financial liabilities</b>		
Bank indebtedness (Note 3)	1,409,518	71,660
Accounts payable and accrued liabilities	1,609,990	1,297,775
Damage deposits payable	10,355	10,712
Deferred revenue	14,000	14,000
Silviculture liability	18,362	18,362
Long-term debt (Note 11)	7,778,130	5,966,199
	<b>10,840,355</b>	<b>7,378,708</b>
<b>Net financial assets</b>	<b>6,737,336</b>	<b>10,527,045</b>
Commitment (Note 14)		
Contingent liabilities (Note 15)		
<b>Non-financial assets</b>		
Inventories	477,247	717,884
Prepaid expenses	137,769	178,120
Tangible capital assets (Note 12 and Schedule B)	34,428,875	34,263,541
<b>Accumulated surplus</b>	<b>41,781,227</b>	<b>45,686,590</b>

On behalf of the Chief and Council

 Member

 Member

The accompanying notes to the consolidated financial statements are an integral part of  
this financial statement.

# Nak'azdli Indian Band

## Consolidated statement of cash flows

### year ended March 31, 2016

	2016	2015
	\$	\$
<b>Operating activities</b>		
Annual deficit	(3,905,363)	(358,935)
Items not involving cash		
Equity loss (income) of incorporated entities	122,960	(708,297)
Amortization of tangible capital assets	2,881,934	2,084,418
Realized gains on disposal of marketable securities	(145,202)	(306,802)
Loss (gain) on sale of tangible capital assets	125,967	(419)
	(919,704)	709,965
Changes in non-cash operating working capital		
(Increase) decrease in accounts receivable	(60,752)	734,582
Decrease in inventories	240,637	119,506
Decrease in prepaid expenses	40,351	60,666
(Increase) decrease in timber sale deposit	(28,669)	29,162
Increase in accounts payable and accrued liabilities	308,715	46,725
Increase in deferred revenue	-	(23,775)
(Decrease) increase in damage deposits payable	(357)	1,409
	(419,780)	1,678,240
<b>Financing activities</b>		
Increase (decrease) in bank indebtedness	1,337,858	(1,572,209)
Repayment of long-term debt	(604,234)	(1,375,236)
Proceeds of long-term debt	2,416,165	2,675,207
	3,149,789	(272,238)
<b>Investing activities</b>		
Change in net investments, loans and advances	47,796	248,327
Decrease in loans receivable	387,113	10,259
Proceeds on disposal of marketable securities	3,649,459	5,872,174
Acquisition of marketable securities	(3,519,508)	(5,154,998)
Increase in restricted cash	(21,415)	(36,212)
	543,445	939,550
<b>Capital activities</b>		
Acquisition of tangible capital assets	(3,411,827)	(2,584,912)
Proceeds from disposal of tangible capital assets	238,592	3,609
	(3,173,235)	(2,581,303)
Increase (decrease) in cash	100,219	(235,751)
Cash, beginning of year	595,835	693,652
Adjustment - consolidation of other government entities		
Cash - beginning of year (Note 1b)	1,196	137,934
<b>Cash, end of year</b>	<b>697,250</b>	<b>595,835</b>

The accompanying notes to the consolidated financial statements are an integral part of this financial statement.



# Nak'azdli Indian Band

## Notes to the consolidated financial statements

March 31, 2016

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### 1. Basis of presentation and significant accounting policies

These consolidated financial statements include the assets, liabilities, revenues and expenditures of the Nak'azdli Indian Band (the "Band"), governed by the Chief and Council, and the entities which are controlled or are subject to joint control by the Band.

The financial statements have been prepared in accordance with Canadian public sector accounting standards and include the following significant accounting policies:

#### (a) Fund accounting

The Band uses fund accounting which results in a self-balancing set of accounts for each fund established by legal, contractual or voluntary actions. The various funds have been amalgamated for the purpose of presentation in the consolidated financial statements. All inter-fund balances and transactions have been eliminated.

The Band maintains the following funds:

- The Operating Fund, which reports the general activities of the Band administration.
- The Ottawa Trust Fund, which reports on trust funds owned by the Band and 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.
- The Canada Mortgage and Housing Corporation ("CMHC") Social Housing Fund, which reports the CMHC funded social housing operations of the Band.
- The Treaty Fund, which reports the Band's treaty activities.
- The Enterprise Fund, which reports the Band's investments in commercial enterprises, including incorporated and unincorporated businesses, as well as investments in related entities.

#### (b) Reporting entity and principles of financial reporting

Incorporated business entities and limited partnerships and other government organizations, which are controlled by the Band, are included in the consolidated financial statements using the consolidation method when they do not meet the criteria to be classified as government business enterprises.

Controlled entities consolidated in the financial statements include:

- Nahounli Creek Gas Bar Ltd. (100% owned)
- Nak'azdli Development Corporation ("NDC") (100% owned)
- Sana'aih Market Limited Partnership (100% owned)
- Nak'al Koh Logging Ltd. (100% owned)
- Nak'azdli Whut'en Trust (controlled)

Jointly controlled entities are included in the consolidated financial statements using the proportionate consolidation method when they do not meet the definition of a government business partnership.

Government partnerships proportionately consolidated in the financial statements include:

- Ta Da Chun Timber Limited Partnership (50% owned)
- Ti'oh Forest Products Limited Partnership (50% owned)

These entities were classified as government business enterprises and government business partnerships, respectively, in the previous fiscal year as they met the appropriate criteria in the previous year.

# Nak'azdli Indian Band

## Notes to the consolidated financial statements

March 31, 2016

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### 1. Basis of presentation and significant accounting policies (continued)

#### (b) Reporting entity and principles of financial reporting (continued)

Incorporated business entities and limited partnerships, which are controlled or jointly controlled by the Band, are included in the financial statements using the modified equity method. These include:

##### Government business enterprises

- Carrier Food and Fuel Ltd. (100% owned)
- Dhuli Holdings Ltd. (100% owned)
- Nak'al Koh Timber Ltd. ("NKTL") (100% owned)
- Sana'aih Market General Partner Inc. (100% owned)
- Ta Da Chun Timber Inc. (100% owned)
- Ti'oh Forest Products Inc. (100% owned)
- Uzta Holdings Ltd. (100% owned)
- Ranchery Holdings Ltd. (100% owned)

##### Government business partnerships

- N & T Lakes Contracting Ltd. (50% owned)
- NTT Holdings Ltd. (33.3% owned)
- Nus De Environmental Services Ltd. (51% owned)
- Shas Resources Limited Partnership (12.5% owned)

Entities which are not controlled or jointly controlled are accounted for at cost. These include:

- Jaboon Holdings Ltd. (25% owned)
- T'ugus Timber Ltd. (49% owned)
- Sustut Holdings Ltd. (33% owned)
- Investment in Conifex Inc.
- Investment in Peatco Inc.

#### (c) Non-financial assets

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year and are not intended for sale in the ordinary course of operations. The change in non-financial assets during the year, together with the annual surplus (deficit), provides the change in net financial assets for the year.



# Nak'azdli Indian Band

## Notes to the consolidated financial statements

March 31, 2016

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### 1. Basis of presentation and significant accounting policies (continued)

#### (c) Non-financial assets (continued)

##### Tangible capital assets

Capital expenditures are any significant expenditure incurred to acquire or improve land, buildings, infrastructure, vehicles, machinery and equipment. They normally confer benefits lasting beyond one year and result in the acquisition of an asset or in the extension of the life of an asset. Tangible capital value is also recorded as revenue.

Expenditures of the Operating Fund, the CMHC Social Housing Fund and the Enterprise Fund are recorded at cost in the respective fund.

Assets under construction are not amortized until the asset is available for productive use.

Amortization is recorded in the consolidated financial statements as follows:

Asset	Basis	Years
Land improvements	Straight-line	50
Housing	Straight-line	25 to 40
Buildings and improvements	Straight-line	25 to 40
Vehicles	Straight-line	5 to 10
Machinery and equipment	Straight-line	5 to 20
Road infrastructure	Straight-line	15 to 20
Sewer and water infrastructure	Straight-line	25 to 50

#### (d) Impairment of long-lived assets

The Band periodically reviews the useful lives and the carrying values of its long-lived assets for continued appropriateness. The Band reviews for impairment of long-lived assets (or asset groups) to be held and used whenever events or changes in circumstances indicate that the carrying amount of the assets may not be recoverable. If the sum of the un-discounted expected future cash flows expected to result from the use and eventual disposition of an asset is less than its carrying amount, it is considered to be impaired. An impairment loss is measured at the amount by which the carrying amount of the asset exceeds its fair value. When quoted market prices are not available, the Band uses the expected future cash flows discounted at a rate commensurate with the risks associated with the recovery of the asset as an estimate of fair value.

#### (e) Financial instruments

The Band's financial instruments consist of cash, restricted cash, marketable securities, accounts receivable, timber sales deposits, advances and loans receivable, bank indebtedness, accounts payable, damage deposits payable, silviculture liability and long-term debt.

Financial instruments are recorded at fair value on initial recognition. They are subsequently recorded at cost less any impairment losses if other than temporary.

Transaction costs incurred on the acquisition of financial instruments measured subsequently at fair value are expensed as incurred. All other financial instruments are adjusted by transaction costs incurred on acquisition and financing costs, which are amortized using the straight-line method.

Financial assets are assessed for impairment on an annual basis at the end of the fiscal year if there are indicators of impairment. If there is an indicator of impairment, the Band determines if there is a significant adverse change in the expected amount or timing of future cash flows from the financial asset. If there is a significant adverse change in the expected cash flows, the carrying value of the financial asset is reduced to the highest of the present value of the expected cash flows, the amount that could be realized from selling the financial asset or the amount the Band



# Nak'azdli Indian Band

## Notes to the consolidated financial statements

March 31, 2016

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### 1. Basis of presentation and significant accounting policies (continued)

#### (e) *Financial instruments (continued)*

expects to realize by exercising its right to any collateral. If events and circumstances reverse in a future year, an impairment loss will be reversed to the extent of the improvement, not exceeding the initial carrying value.

#### (f) *Inventories*

Inventories are valued at the lower of cost and net realizable value. Net realizable value is the estimated selling price in the normal course of business less the estimated costs necessary to make the sale. Included in the costs of inventories are the costs of purchase net of vendor allowances, plus other costs such as transportation and duty, that are directly incurred to bring inventories to their present location and condition. Cost is determined using the retail method for grocery store items, and on the first-in, first-out method for lumber and fuel products.

#### (g) *Revenue recognition*

Government transfers with stipulations are recognized as revenue in the period the transfer is authorized and all eligibility criteria have been met, except when, and to the extent that the transfer gives rise to an obligation that meets the definition of a liability. Any such liability is reduced, and an equivalent amount of revenue is recognized, as the liability is settled.

Government transfers without stipulations are recognized in the period in which the transfer is authorized, any eligibility criteria have been met and a reasonable estimate of the amount to be received can be made.

Certain funding received under the terms of specified use agreements (other than government transfers) is recognized as revenue when the related expenditures are incurred. Such funding received but not yet expended is included in the statement of financial position as deferred revenue.

Revenue earned on timber sale licences is recognized when wood fibre is delivered and the customer takes ownership and assumes the risk of loss, persuasive evidence of an arrangement exists and collection of the relevant receivables is reasonably assured.

Investment income, rental income and daycare fees are recognized when earned and/or the service is provided and collection is reasonably assured.

For lumber, grocery, log hauling and fuel sales, revenue is recognized when the products are shipped or services rendered, the customer takes ownership and assumes risk of loss, collection of the receivable is probable, persuasive evidence of an arrangement exists and the sales price is fixed or determinable.

#### (h) *Income tax status*

Income earned by the Band and its consolidated and/or proportionately consolidated subsidiaries/partnerships are exempt from income taxes under Income Tax Act sections 149(1) (c) and (d.5). The exception to this is the entity "Nahounli Creek Gas Bar Ltd." which is located outside of the municipal boundary and is subject to corporate income taxes at a rate of 13.5% on any taxable income earned. This entity has incurred losses to date of \$380,338. No benefit has been recognized in the financial statements in relation to these losses.

#### (i) *Use of estimates*

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 financial statements and the reported amounts of revenues and expenses during the reporting period. Significant items subject to such estimates and assumptions include the useful

# Nak'azdli Indian Band

## Notes to the consolidated financial statements

March 31, 2016

### 1. Basis of presentation and significant accounting policies (continued)

#### (i) Use of estimates (continued)

lives for tangible capital assets and valuation allowance for accounts receivable and investments, loans and advances. Actual results could differ from those estimates.

#### (j) Contaminated sites

The Band records a liability for the remediation of contaminated sites when an environmental standard exists, contamination exceeds the environmental standard, the Band is directly responsible or accepts responsible, it is expected that future economic benefits will be given up and a reasonable estimate of the amount can be made. The Band has not identified any contaminated sites which meet these criteria.

### 2. Economic dependence

The Band receives a major portion of its revenues pursuant to a funding agreement with the Department of Indigenous and Northern Affairs Canada. Any disruption in this funding could have a negative effect on Band operations.

### 3. Cash (bank indebtedness)

Cash (bank indebtedness) is comprised of the following:

	2016	2015
	\$	\$
<b>Cash</b>		
Cash held in marketable securities brokerage accounts	461,645	371,077
Cash - Band	95,076	-
Cash - Nahounli Creek Gas Bar Ltd.	37,824	16,386
Cash - Na'azdli Development Corporation	19,135	103,454
Cash - TI'oh Forest Products Limited Partnership	45,928	61,654
Cash - Ta Da Chun Timber Limited Partnership	19,682	8,418
Cash - Sana'aih Market Limited Partnership	17,960	34,846
	<u>697,250</u>	<u>595,835</u>
<b>Bank indebtedness</b>		
Bank indebtedness	(11,775)	(46,705)
Balance in bank before cheques issued in excess of deposits	(1,187,407)	140,763
Cheques issued in excess of funds on deposit	(210,336)	(165,718)
	<u>(1,409,518)</u>	<u>(71,660)</u>

The Band has established a revolving demand line of credit at CIBC bearing interest at prime plus 0.75% (2.45% at March 31, 2016) in the amount of \$1,500,000, of which \$1,397,742 (2015 - \$46,705) was drawn on this line of credit at year end. Any amounts drawn on the line of credit are secured by hypothecation of the marketable securities portfolio held at CIBC.



# Nak'azdli Indian Band

## Notes to the consolidated financial statements

March 31, 2016

### 4. Marketable securities

Marketable securities are comprised of the following:

	2 0 1 6	2 0 1 5
	\$	\$
Band Operating Fund		
BC First Nations Leadership Council deposit	15,000	15,000
CIBC portfolio investments	10,106,223	10,090,972
	10,121,223	10,105,972

Portfolio investments with a value of \$1,243,106 (2015 - \$1,476,496) have been placed in hypothecation as security for debt held by a related party, Sana'aih Market LLP.

The marketable securities noted above are measured at amortized cost less an allowance for other than temporary impairment. The fair market value of the securities above was \$10,632,723 (2015 - \$11,210,530) as at March 31, 2016.

### 5. Restricted cash

	2 0 1 6	2 0 1 5
	\$	\$
Operating Fund		
Health Replacement Reserve (a)	-	16,868
Ministry of Forests woodlot licence deposit (b)	5,046	5,046
Peace Hills Trust GIC	14,604	14,198
	19,650	36,111
Ottawa Trust Fund		
Ottawa Trust Funds (c)	933,986	910,762
CMHC Social Housing Fund		
Social Housing Replacement Reserve (d)	189,672	175,020
Ta Da Chun Timber Limited Partnership		
Ministry of Forest woodlot licence deposit (b)	35,986	35,986
	1,179,294	1,157,879

The funds are restricted for the following purposes:

- Health Replacement Reserve represents the Moveable Capital Assets Replacement Reserve set aside under the Band's agreement with the First Nations Health Authority.
- A term deposit assigned to the Ministry of Forests on behalf of NDC and Ta Da Chun Timber Limited Partnership, in support of its woodlot licenses.
- Ottawa Trust Funds on deposit with Department of Indigenous and Northern Affairs Canada arise from monies derived from capital or revenue sources as outlined in Section 62 of the Indian Act. These funds are held in trust for the Band 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 funds are accessible to the Band upon the completion of certain prescribed procedures.
- Social Housing Replacement Reserve funds can only be utilized under the terms of the respective Canada Mortgage and Housing Corporation agreements (see Note 10).



# Nak'azdli Indian Band

## Notes to the consolidated financial statements

March 31, 2016

### 6. Accounts receivable

Accounts receivable are summarized as follows:

	2016	2015
	\$	\$
Operating Fund		
Indigenous and Northern Affairs Canada	16,461	12,978
Canada Mortgage and Housing Corporation	4,232	4,231
Other	504,762	328,659
Band owned rental housing	671,955	721,593
Less: allowance for doubtful accounts	(628,251)	(682,177)
	569,159	385,284
CMHC Social Housing Fund		
Band member housing	121,676	113,210
Less: allowance for doubtful accounts	(79,103)	(79,882)
	42,573	33,328
Nak'azdli Development Corporation - trade receivables	1,462	1,952
Nahounli Creek Gas Bar Ltd. - trade receivables	53,544	39,211
Nak'al Koh Logging Ltd. - trade receivables	9,726	-
Sana'aih Market Limited Partnership - trade receivables	20,647	31,375
Tl'oh Forest Products Limited Partnership - trade receivables	11,277	150,130
	96,656	222,668
	708,388	641,280

### 7. Timber sale deposits

Pursuant to various timber sale licenses, the Band is required to maintain deposits in the form of cash or negotiable securities acceptable to the Ministry of Forests, Lands and Natural Resource Operations ("Ministry"). The Band has provided deposits in the amount of \$57,831 (2015 - \$29,162) to the Ministry in satisfaction of this requirement.

### 8. Investments, loans and advances

Investments, loans and advances to commercial and other operations are summarized as follows:

	2016	2015
	\$	\$
Government business enterprises (Note 8(a))	2,761,864	2,822,802
Government business partnerships (Note 8(b), (c), (d) and (e))	357,855	507,147
Other (Note 8(f))	1,295,715	1,260,292
	4,415,434	4,590,241

# Nak'azdli Indian Band

## Notes to the consolidated financial statements

March 31, 2016

### 8. Investments, loans and advances (continued)

The loans and advances are non-interest bearing and have no set terms of repayment.

#### (a) Government business enterprises

The Band has made investments in and loans and advances to wholly-owned incorporated entities, summarized as follows:

	2016	2015
	\$	\$
Carrier Food & Fuel Ltd.		
Investment in shares, at cost	2	2
Advances	112,040	126,041
	112,042	126,043
Accumulated equity in earnings	2,631,803	2,693,380
	2,743,845	2,819,423
Dh'uli Holdings Ltd.		
Investment in shares, at cost	2	2
Advances	3,191	1,833
	3,193	1,835
Accumulated deficit in losses	(2,623)	(1,575)
	570	260
Nak'al Koh Timber Ltd.		
Investment in shares, at cost	1	1
(Due to)/Advances	(81,328)	11,372
	(81,327)	11,373
Accumulated equity in earnings (losses)	100,695	(10,755)
	19,368	618
Nak'al Koh Logging Ltd.		
Investment in shares, at cost		1
Advances		49,952
	-	49,953
Accumulated equity in losses		(45,900)
	-	4,053

# Nak'azdli Indian Band

## Notes to the consolidated financial statements

March 31, 2016

### 8. Investments, loans and advances (continued)

#### (a) Government business enterprises (continued)

	2016	2015
	\$	\$
Ranchery Holdings Inc.		
Investment in shares, at cost	1	1
Advances	2,785	1,838
	2,786	1,839
Accumulated equity in losses	(2,786)	(1,736)
	-	103
Uzta Holdings Ltd.		
Investment in shares, at cost	2	2
Advances	2,623	1,837
	2,625	1,839
Accumulated equity in losses	(2,625)	(1,575)
	-	264
Sana'aih Market General Partner Inc.		
Investment in shares, at cost	1	1
Accumulated equity in losses	(2)	(2)
	(1)	(1)
Ta Da Chun Timber Inc.		
Investment in shares, at cost	1	1
Accumulated equity in losses	(385)	(385)
	(384)	(384)
Tl'oh Forest Products Inc.		
Investment in shares, at cost	10	10
Accumulated equity in losses	(1,544)	(1,544)
	(1,534)	(1,534)
	2,761,864	2,822,802

The shares of Carrier Food & Fuel Ltd., Nak'azdli Development Corporation, Nak'al Koh Timber Ltd. and Nak'al Koh Logging Ltd. are held by specified band members in trust for the Band.

# Nak'azdli Indian Band

## Notes to the consolidated financial statements

March 31, 2016

### 8. Investments, loans and advances (continued)

Government business partnerships (b, c, d, and e below)

(b) The Band has made a 51% investment in the following entity:

	2016	2015
	\$	\$
Nus De Environmental Services Ltd.		
Investment in shares, at cost	1	1
Advances	106,014	88,072
Accumulated equity in earnings	258,318	417,196
	364,333	505,269

(c) The Band has made a 50% investment in the following entity:

	2016	2015
	\$	\$
N & T Lakes Contracting Ltd.		
Investment in shares, at cost	2	2
Advances	1,575	1,575
Accumulated equity in losses	(792)	(792)
	785	785

(d) The Band has made a 33.3% investment in the following entity:

	2016	2015
	\$	\$
NTT Holdings Ltd.		
Advances	1,222	1,222
Accumulated equity in losses	(129)	(129)
	1,093	1,093

(e) The Band has made a 12.5% investment in the following entity:

	2016	2015
	\$	\$
Shas Resources LP		
Contributions	(13)	-
Drawings	(16,201)	-
Equity in earnings	7,858	-
	(8,356)	-



# Nak'azdli Indian Band

## Notes to the consolidated financial statements

March 31, 2016

### 8. Investments, loans and advances (continued)

- (f) The Band has made investments and advances to entities that are not accountable to and neither owned nor controlled by the Band, as follows:

	2 0 1 6	2 0 1 5
	\$	\$
Investment in and advances to Jaboon Holdings Inc. at cost net of allowance	67,433	32,010
Investment in Sustut Holding Ltd., at cost	29,367	29,367
Advances to Sustut Holdings Ltd., at cost	333,333	333,333
Advance from Nak'azdli Child Development Society	(950)	(950)
Investment in Conifex Inc., at cost	866,531	866,531
Investment in Peatco., at cost	1	1
	<u>1,295,715</u>	<u>1,260,292</u>

- (g) Combined financial information for government business enterprises owned 100% by the Band is as follows:

	2 0 1 6	2 0 1 5
	\$	\$
Balance sheet information		
Assets	3,057,164	2,965,400
Liabilities	401,917	335,471
Equity	2,655,247	2,629,929
Results of operations		
Revenues	9,728,242	10,037,483
Expenses	9,702,924	9,645,372
Net income (loss)	<u>25,318</u>	<u>392,111</u>

- (h) Financial information relating to the Band's investment in Government Business Partnerships (note that 100% of the financial items are reported below, not the Band's proportionate ownership of those items) is as follows:

	2 0 1 6	2 0 1 5
	\$	\$
Balance sheet information		
Assets	829,462	1,242,906
Liabilities	328,528	565,542
Equity	500,934	677,364
Results of operations		
Revenues	582,652	1,651,045
Expenses	805,916	953,506
Income taxes	(46,833)	120,339
Net (loss) income	<u>(176,431)</u>	<u>577,201</u>

# Nak'azdli Indian Band

## Notes to the consolidated financial statements

March 31, 2016

### 8. Investments, loans and advances (continued)

h) The Band's share of equity earnings from these entities was a loss of \$148,278 for the year ended March 31, 2016 (earnings of \$316,186 in 2015).

(i) Financial information relating to the Band's investment in government partnerships other than government business partnerships (100% of the items are reflected below) that are proportionately consolidated in these financial statements as follows:

	2016	2015
	\$	\$
Balance sheet information		
Assets	6,764,967	7,221,370
Liabilities	6,461,612	6,687,737
Equity	303,355	533,633
Results of operations		
Revenues	8,209,244	13,255,472
Expenses	8,439,523	14,261,394
Net loss	(230,279)	(1,005,922)

### 9. Loans receivable

	2016	2015
	\$	\$
Operating Fund		
Band members	132,556	309,570
Band member housing loans	1,440,148	1,559,655
	1,572,704	1,869,225
Less: allowance for doubtful accounts	(1,174,433)	(1,083,841)
	398,271	785,384

Band member housing loans are repayable by the Band members over the same term and at the same interest rate as that incurred by the Band in financing the original construction of the housing units. Upon repayment of a band member housing loan, title to the housing unit is transferred to the band member. Other band member loans are interest free and have no set terms of repayment.

# Nak'azdli Indian Band

## Notes to the consolidated financial statements

March 31, 2016

### 10. Social housing replacement reserves

Under the terms of agreements with Canada Mortgage and Housing Corporation ("CMHC"), the Band is required to make annual deposits equal to required contributions to a replacement reserve account for each housing phase. Contributions are based on a percentage of total asset costs. The use of these funds is subject to approval by CMHC. These funds, along with accumulated interest, must be held in a separate bank account and/or invested only in accounts or instruments insured by the Canada Deposit Insurance Corporation or as may be otherwise approved by CMHC. Withdrawals are credited to interest first and then principal. These replacement reserves form part of accumulated surplus.

Under agreements with CMHC, the Band may also establish a subsidy surplus reserve where any operating surplus can be retained to a maximum of \$500 per housing unit plus interest earned within the reserve. Any additional operating surplus, within the CMHC Housing Programs, is subject to recovery by CMHC.

	2016	2015
	\$	\$
Replacement reserves (Note 13)	217,081	203,716

Replacement reserve information relating to the Band's CMHC housing programs is as follows:

	2002/03 Housing (6 units)	Sunset Court (11 units)	Four - Plex (4 units)	Total (30 units)
	\$	\$	\$	\$
Balance, beginning of year	61,639	107,446	34,631	203,716
Interest earned	8	14	4	26
Expenditures	(1,314)	(3,681)	(1,026)	(6,021)
Allocation for the year	6,000	9,360	4,000	19,360
Balance, end of year	66,333	113,139	37,609	217,081



# Nak'azdli Indian Band

## Notes to the consolidated financial statements

March 31, 2016

### 11. Long-term debt

	2016	2015
	\$	\$
(1) Operating fund		
CIBC demand instalment loan		
Non-revolving demand instalment loan, at prime rate plus 4.0% per annum, due monthly, matures January 2024	338,295	380,701
Non-revolving demand instalment loan, at prime rate plus 1.0% per annum, due monthly, matures September 2025	127,025	142,500
CIBC mortgages		
Mortgage repayable at \$4,926 per month plus interest at 3.0% per annum, matures November 2019	217,310	276,555
Mortgage repayable at \$829 per month plus interest at 3.0% per annum, matures November 2019	36,580	46,553
Mortgage repayable at \$2,591 per month plus interest at 3.0% per annum, matures June 2021	163,651	194,807
Mortgage repayable at \$889 per month plus interest at 3.0% per annum, matures May 2021	55,262	65,952
Mortgage repayable at \$1,832 per month plus interest at 3.0% per annum, matures October 2021	123,067	145,098
Mortgage repayable at \$2,011 per month plus interest at 3.0% per annum, matures November 2019	141,143	165,326
Mortgage repayable at \$1,903 per month plus interest at 3.0% per annum, matures May 2020	164,099	186,981
John Deere Finance term loan repayable at \$2,112 per month, interest free, due December 2016, secured by specific equipment	19,006	44,348
Balance carried forward	1,385,438	1,648,821

CIBC mortgages held in the operating fund are secured by a ministerial guarantee. The CIBC loans are secured by hypothecation of the CIBC marketable securities portfolio.

# Nak'azdli Indian Band

## Notes to the consolidated financial statements

March 31, 2016

### 11. Long-term debt (continued)

	2016	2015
	\$	\$
Balance brought forward	1,385,438	1,648,821
Ford Credit - vehicle loan repayable at \$390 per month including interest at 6.29% per annum, matures April 2019	13,175	16,764
Bank of Montreal - Term loan repayable at \$1,538 per month including interest at 3.45% per annum, matures November 2034	110,915	125,126
Bank of Montreal - Term loan repayable at \$5,336 per month, including interest at 3.45% per annum, matures November 2034	856,160	889,566
Bank of Montreal - Term loan repayable at \$1,464 per month, including interest at 3.45% per annum, matures November 2019	59,910	75,094
Bank of Montreal - Term loan repayable at \$971 per month, including interest at 3.45% per annum, matures February 2023	70,029	79,001
Bank of Montreal - Term loan repayable at \$3,657 per month, including interest at 3.45% per annum, matures March 2035	604,515	-
Bank of Montreal - Term loan repayable at \$16,179 per month, including interest at 3.45% per annum, matures May 2023	1,235,391	-
Bank of Montreal - Term loan repayable at \$5,323 per month, including interest at 3.45% per annum, matures April 2023	402,211	-
	4,737,744	2,834,372

Loans due to the Bank of Montreal are secured by Chattel mortgages against specific equipment.

# Nak'azdli Indian Band

## Notes to the consolidated financial statements March 31, 2016

### 11. Long-term debt (continued)

	2016	2015
	\$	\$
(ii) CMHC Social Housing Fund		
All Nations Trust		
Mortgage repayable at \$1,839 per month including interest at 1.92 % per annum, matures November 2023	162,246	181,042
Mortgage repayable at \$3,056 per month including interest at 1.12% per annum, matures December 2025	341,696	374,381
Mortgage repayable at \$1,307 per month including interest at 1.62% per annum, matures March 2022	233,129	245,153
Mortgage repayable	-	-
	<b>737,071</b>	<b>800,576</b>

All Nations Trust mortgages held in the CMHC Social Housing fund are secured by a mortgage and a ministerial guarantee.

### (iii) Treaty Fund

#### Carrier Sekani Tribal Council

Treaty negotiation loan, non-interest bearing until loan becomes repayable at later of

- (a) the twelfth anniversary of the date on which the first loan advance was made, subject to any extensions provided.  
The first loan advance was March 1995
- (b) the seventh anniversary of the date of signing of an Agreement-in-Principle by the Carrier Sekani Tribal Council, subject to any extensions provided
- (c) the date on which a treaty is signed by the Carrier-Sekani Tribal Council



# Nak'azdli Indian Band

## Notes to the consolidated financial statements

March 31, 2016

### 11. Long-term debt (continued)

	2016	2015
	\$	\$
(iii) Treaty Fund (continued)		
(d) the date on which the First Nation Loan Agreement between the Carrier Sekani Tribal Council and Canada is terminated		
(e) the date on which the First Nation Loan Agreement between the Carrier commits an act of bankruptcy		
(f) the date on which the Tribal Council winds up		
(g) 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		
The Carrier Sekani Tribal Council treaty negotiation loans are non-interest bearing and secured by a first charge against benefits paid by Canada and British Columbia to the Band, or to the Tribal Council on behalf of the Band, under a treaty, unless otherwise set out in the treaty.		
	1,673,341	1,673,341
Aboriginal Affairs and Northern Development Canada		
Specific claim treaty negotiation loan, non-interest bearing, unsecured until loan becomes repayable at earlier of		
(a) March 31, 2018		
(b) the date at which the claim is settled	21,474	21,474
	1,694,815	1,694,815
(iv) Sana'aih Market Limited Partnership		
CIBC - non-revolving demand instalment loan - principal and interest blended payments at prime (March 31, 2016 - 2.7% per annum) repayable in 177 regular monthly payments of \$4,470	589,553	626,326
Hub International - financed insurance premium - including interest at 3.44% per annum repayable in ten monthly payments of \$1,685	10,110	10,110
Wiz-Tec Computing Technologies Inc. - financed computer hardware - including interest at 6% per annum repayable in monthly payments of \$158	8,837	-
	608,500	636,436
	7,778,130	5,966,199

Security for the CIBC non-revolving demand instalment loan comprises an investment property pledge agreement with the Band's investment account with CIBC Wood Gundy that holds cash, bonds and mutual funds.

# Nak'azdli Indian Band

## Notes to the consolidated financial statements

March 31, 2016

### 11. Long-term debt (continued)

Scheduled principal repayments for the next five years and thereafter are as follows:

	Total \$
2017	657,306
2018	672,957
2019	665,294
2020	646,079
2021	602,136
Thereafter	4,534,358
	<u>7,778,130</u>

### 12. Tangible capital assets

	2016	2015
	\$	\$
Operating fund		
Land	1,605,243	1,605,243
Land improvements	406,227	414,318
Buildings and improvements	23,432,481	24,167,204
Housing	3,078,991	3,858,248
Vehicles	1,764,298	429,884
Machinery and equipment	2,227,474	1,746,024
Sewer and water infrastructure	1,196,505	1,252,294
Road infrastructure	717,656	790,326
	<u>34,428,875</u>	<u>34,263,541</u>

For additional information, see the Schedule of Tangible Capital Assets (Schedule B).

# Nak'azdli Indian Band

## Notes to the consolidated financial statements

March 31, 2016

### 13. Accumulated surplus

Accumulated surplus is as follows:

	2016	2015
	\$	\$
Unrestricted funds		
Operating Fund	38,664,984	28,359,213
CMHC Social Housing Fund	(155,401)	(171,358)
Treaty Fund	(1,902,900)	(1,902,900)
Enterprise Fund	(2,698,025)	10,887,917
	33,908,658	37,172,872
Restricted funds		
Ottawa Trust Fund	933,984	910,760
Operations fund - capital assets	5,920,927	6,598,665
CMHC Social Housing Replacement Reserves (Note 10)	217,081	203,716
CMHC Social Housing Fund - capital assets	800,577	800,577
	7,872,569	8,513,718
Accumulated Surplus	41,781,227	45,686,590

### 14. Commitment

The Band is party to an agreement which requires the sale of timber to Apollo Forest Products Ltd. ("Apollo") at fair market value.

### 15. Contingent liabilities

The Band has guaranteed the remaining balance of a demand loan of Jaboon Holdings Ltd. ("Jaboon"), in the amount of \$32,678 (2015 - \$43,748). In the event that Jaboon should default on their loan, the Band will be held liable for the loan outstanding. It is unknown when the loan will be repaid in full.

Ta Da Chun Timber Limited Partnership has contracted with Apollo Forest Products Ltd. to undertake all reforestation and deactivation activities related to the Partnership's forest licence. However, as licensee, the Partnership is ultimately obligated to fulfill the reforestation requirements set out in the forest licence.

The Band has guaranteed ministerial housing loans for band members totalling \$764,449 (2015 - \$837,278).

The Band is subject to legal proceedings, claims and litigation arising in the ordinary course of operations. While the outcome of these matters is currently not determinable, management does not expect that the ultimate costs to resolve these matters will have a material adverse effect on the Band's financial statements. The Band believes the claims are without merit.



# Nak'azdli Indian Band

## Notes to the consolidated financial statements

March 31, 2016

### 16. Related party transactions

During the year, the Band had the following transactions with related parties:

	2016	2015
	\$	\$
Carrier Food & Fuel Ltd.		
Goods & services purchased	115,453	124,910
Nus De Environmental Services Ltd.		
Administration and bookkeeping	-	2,500

The above transactions occurred in the normal course of business and were recorded at the exchange amount, which is the amount agreed upon by the parties.

### 17. Income and expenditures by segment

The Band has presented revenues and expenditures by segment in Schedule A. The segments presented are as follows:

#### *Unrestricted - Operating Fund:*

Health Services - this segment discloses programs activities funded by First Nations Health Authority that relate to the provision of health related services to the Band members.

Education Services - this segment discloses program activities primarily funded by Indigenous and Northern Affairs Canada ("INAC") and Prince George Native Education and Training Association. These programs relate to elementary, secondary and post-secondary education and training services.

Social Services - this segment relates to programs and services related to the social benefit and welfare of Band members and is funded by INAC.

Community Services - this segment reflects funding and costs associated with the maintenance and provision of community infrastructure, recreation facilities and related services.

Capital Services - this segment reflects the maintenance costs of various Band owned buildings and infrastructure.

Band Government Services - this segment reflects funding and expenditures related to Band governance activities.

Housing Services - this segment reflects revenues and expenditures associated with the operation and maintenance of Band owned housing occupied by Band members.

Other Services - this segment reflects revenue and expenditures related to the provision of other services to the Band members including activities associated with economic development.

Grocery Store - this segment reflects the revenue and expenditures associated with the operations of the grocery store known as Sana'aih Market Limited Partnership.

Gas Station - this segment reflects the revenue and expenditures associated with the operations of the gas station known as Nahounli Creek Gas Bar Ltd.

Lumber Mill - this segment reflects the revenue and expenditures associated with the operations of the finger joint mill known as Ti'oh Forest Products Limited Partnership.

Logging - this segment reflects the revenue and expenditures associated with the log hauling operations of Nak'al Koh Logging Ltd.

Schedule A also discloses activities related to funds operated by the Band including the Treaty Fund, Social Housing Fund, Enterprise Fund and the Ottawa Trust Fund, as disclosed in Note 1.

# Nak'azdli Indian Band

## Notes to the consolidated financial statements

March 31, 2016

### 18. Expenses by object

	2 0 1 6	2 0 1 5
	\$	\$
Amortization	2,873,225	2,084,418
Administration	23,338	295,372
Advertising	50,475	37,599
Bad debts	289,977	41,964
BC Investment Agriculture recovery	9,500	-
Benefits	402,390	429,288
Cash over/short	19	13,826
Consultants	751,256	883,093
Cost of goods sold	6,433,968	8,423,452
Donations	136,835	54,136
Education	2,486,383	2,492,241
First Nation Health Authority/Health Canada recovery	9,201	24,791
Freight	224,198	647,389
Health plan	252,537	269,833
Honoraria	285,282	285,670
Housing subsidy	30,000	-
INAC recovery	303,382	126,324
Insurance	410,856	173,089
Interest and bank charges	105,962	38,843
Interest on long term debt	69,056	145,613
Legal fees	49,969	33,200
New Relationship Trust recovery	3,640	-
Pension	135,868	132,553
Prince George Native Education and Training Authority recovery	76,200	-
Photocopier	48,802	17,251
Postage and courier	4,572	10,712
Professional fees	240,506	274,496
Property taxes	13,316	16,546
Repairs and maintenance	848,808	508,726
Replacement reserve	29,772	34,192
Rent	86,732	-
Sewer	211,608	64,450
Social	461,797	315,965
Social housing	135,595	202,924
Subcontracting	488,893	-
Sundry	73,351	338,415
Supplies	957,464	664,180
Tech support	8,076	17,760
Telephone	90,989	90,623
Training	302,660	602,887
Transportation	34,716	18,304

# Nak'azdli Indian Band

Notes to the consolidated financial statements

March 31, 2016

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18. Expenses by object (continued)

	2 0 1 6	2 0 1 5
	\$	\$
Travel	475,421	498,256
Utilities	216,825	258,166
Wages	5,149,242	4,321,702
WCB	27,696	27,271
Loss on disposal of assets	135,127	-
Equity loss of incorporated entities and partnerships	122,960	-
	25,578,441	25,293,207



# Nak'azdli Indian Band

## Consolidated Schedule of revenue, expenditures and surplus (deficit) by Segment - Schedule A year ended March 31, 2016

	Accumulated surplus (deficit) 2015	INAC revenue	Health revenue	Other revenue	Total revenue	Expenditure	Surplus (deficit) for the year	Interfund transfers for the year	Accumulated surplus (deficit) 2016
<b>Unrestricted</b>									
Operating fund									
Health services	789,076	-	1,509,572	142,441	1,652,013	1,588,808	(36,795)	(22,369)	729,912
Education services	4,491,883	3,123,356	-	8,193	3,131,549	2,826,710	304,839	(475,214)	4,321,508
Social services	5,700,239	1,538,209	-	263,552	1,801,761	1,944,247	(142,486)	(523,854)	5,033,899
Community services	(889,306)	264,550	-	207,470	472,020	549,071	(77,051)	6,925	(959,432)
Capital services	13,054,881	830,236	-	384,382	1,214,618	498,212	715,406	49,614	13,819,901
Band government services	4,473,777	684,808	-	2,064,747	2,749,555	2,965,499	(215,944)	11,366,713	15,624,546
Housing services	(2,944,916)	-	-	238,667	238,667	1,070,560	(831,893)	(159,165)	(3,935,974)
Other services	3,683,579	132,003	-	736,557	868,560	432,405	436,155	(249,107)	3,870,627
	28,359,213	6,573,162	1,509,572	4,046,010	12,128,743	11,976,512	152,231	9,993,543	38,504,985
Treaty fund	(1,902,900)	-	-	-	-	-	-	-	(1,902,900)
Social Housing fund	-	-	-	-	-	-	-	-	-
Enterprise fund	10,887,917	-	-	158,666	158,666	142,710	15,956	-	(155,402)
Grocery store (Sana'ath Market)	-	-	-	(397,797)	(397,797)	652,870	(1,050,667)	(12,535,276)	(2,698,025)
Gas Station (Nahounli Creek)	-	-	-	5,169,392	5,169,392	5,421,289	(251,897)	251,897	-
Lumber Mill (T'oh)	-	-	-	1,378,834	1,378,834	1,541,654	(162,820)	162,820	-
Logging (Nak'at Koh)	-	-	-	1,017,790	1,017,790	1,520,242	(502,452)	502,452	-
	37,172,872	6,573,162	1,509,572	2,187,461	21,643,089	23,915,251	(2,272,162)	(1,152,051)	33,748,568
<b>Restricted</b>									
Nak'azdli Whut'en Trust	-	-	-	160,000	160,000	-	160,000	-	160,000
Ottawa Trust Fund	910,760	-	-	23,223	23,223	-	23,223	-	933,984
Operations Fund Capital	6,598,565	-	-	(172,619)	(172,619)	1,657,170	(1,829,789)	1,152,051	5,920,927
Social Housing Fund replacement reserve	203,716	-	-	19,385	19,385	6,020	13,365	-	217,081
Social Housing Fund Capital	800,577	-	-	-	-	-	-	-	800,577
	8,513,718	-	-	29,989	29,989	1,663,190	(1,633,201)	1,152,051	8,032,569
<b>Total</b>	<b>45,686,590</b>	<b>6,573,162</b>	<b>1,509,572</b>	<b>13,590,345</b>	<b>21,673,078</b>	<b>25,578,441</b>	<b>(3,905,363)</b>	<b>-</b>	<b>41,781,227</b>
<b>Unrestricted</b>									
Health services	831,537	-	1,433,574	117,554	1,551,128	1,680,229	(129,101)	86,642	789,078
Education services	4,707,077	3,061,101	-	14,062	3,075,163	3,070,901	4,262	(219,456)	4,491,883
Social services	5,820,840	1,514,262	-	254,387	1,768,649	1,596,003	172,646	(293,247)	5,700,239
Community services	(765,527)	228,699	-	114,004	342,703	452,618	(109,915)	(13,864)	(889,306)
Capital services	12,604,343	863,688	-	208,176	1,071,864	370,413	701,451	(250,913)	13,054,881
Band government services	2,257,633	633,121	-	4,217,692	4,850,803	3,156,942	1,693,861	522,282	4,473,776
Housing services	(2,860,010)	-	-	438,261	438,261	1,040,374	(602,113)	517,207	(2,944,916)
Other services	4,036,812	129,371	-	128,063	257,434	486,875	(229,441)	(123,792)	3,683,579
	26,632,705	6,430,242	1,433,574	5,492,189	13,356,005	11,854,355	1,501,650	224,859	28,359,214
Treaty fund	(1,902,900)	-	-	-	-	-	-	-	(1,902,900)
Social housing fund	(170,819)	-	-	198,990	198,990	188,944	46	(585)	(171,358)
Enterprise fund	11,519,027	-	-	1,377,742	1,377,742	932,833	444,909	(1,076,020)	10,887,916
Grocery store (Sana'ath Market)	-	-	-	4,794,564	4,794,564	5,232,039	(437,475)	437,475	-
Gas Station (Nahounli Creek)	-	-	-	1,058,551	1,058,551	1,304,308	(245,755)	245,755	-
Lumber Mill (Ta Da Chum)	-	-	-	4,102,750	4,102,750	4,493,931	(391,181)	391,181	-
	36,078,013	6,430,242	1,433,574	17,024,786	24,888,602	24,016,408	872,194	222,685	37,172,872
<b>Restricted</b>									
Ottawa trust fund	884,902	-	-	25,858	25,858	-	25,858	-	910,760
Operations fund - capital	7,809,537	-	-	-	-	1,275,047	(1,275,047)	64,175	6,598,665
Social housing fund - replacement reserve	196,008	-	-	19,812	19,812	1,752	16,060	(10,352)	203,716
Social housing fund - capital	1,077,065	-	-	-	-	-	-	(276,488)	800,577
	9,967,512	-	-	45,670	45,670	1,276,799	(1,231,129)	(222,665)	8,513,718
<b>Total</b>	<b>46,045,525</b>	<b>6,430,242</b>	<b>1,433,574</b>	<b>17,070,456</b>	<b>24,934,272</b>	<b>25,293,207</b>	<b>(358,935)</b>	<b>-</b>	<b>45,686,590</b>

# Nak'azdli Indian Band

## Consolidated Schedule of Tangible Capital Assets - Schedule B

### year ended March 31, 2016

2016	Land	Land Improvements	Buildings and Improvements	Housing	Vehicles	Machinery and Equipment	Sewer and Water Infrastructure	Road Infrastructure	Total 2016
<b>Cost</b>									
Balance, beginning of the year	\$ 1,605,243	\$ 1,256,431	\$ 32,457,157	\$ 10,596,521	\$ 1,009,259	\$ 4,903,847	\$ 2,177,446	\$ 1,787,330	\$ 55,793,234
Add: Additions	-	22,344	398,865	4,500	2,085,521	875,746	-	24,851	3,411,827
Less: Disposals	-	-	-	(668,350)	(305,541)	(249,912)	-	-	(1,223,803)
Balance: end of year	\$ 1,605,243	\$ 1,278,775	\$ 32,856,022	\$ 9,932,671	\$ 2,789,239	\$ 5,529,681	\$ 2,177,446	\$ 1,812,181	\$ 57,981,258
<b>Accumulated amortization</b>									
Balance: beginning of year	-	842,113	8,289,953	6,738,273	579,375	3,157,823	925,152	997,004	21,529,693
Add: amortization	-	30,435	1,133,588	592,885	599,833	371,883	55,789	97,521	2,881,934
Less: Accumulated Amortization on disposals	-	-	-	(477,478)	(154,267)	(227,499)	-	-	(859,244)
Balance, end of year	-	872,548	9,423,541	6,853,680	1,024,941	3,302,207	980,941	1,094,525	23,552,383
Net book value	\$ 1,605,243	\$ 406,227	\$ 23,432,481	\$ 3,078,991	\$ 1,764,298	\$ 2,227,474	\$ 1,196,505	\$ 717,656	\$ 34,428,875
<b>2015</b>									
<b>Cost</b>									
Balance, beginning of the year	\$ 1,605,243	\$ 1,146,477	\$ 30,547,469	\$ 10,440,580	\$ 887,589	\$ 1,288,768	\$ 2,164,196	\$ 1,787,330	\$ 49,867,652
Included on consolidation (Note 1b), at beginning of year	-	96,555	152,385	-	-	3,095,418	-	-	3,344,358
Add: Additions	-	13,399	1,757,303	155,941	121,670	523,403	13,250	-	2,584,966
Less: Disposals	-	-	-	-	-	(3,742)	-	-	(3,742)
Balance: end of year	\$ 1,605,243	\$ 1,256,431	\$ 32,457,157	\$ 10,596,521	\$ 1,009,259	\$ 4,903,847	\$ 2,177,446	\$ 1,787,330	\$ 55,793,234
<b>Accumulated amortization</b>									
Balance: beginning of year	-	751,556	6,842,228	6,336,223	506,293	910,503	869,363	899,091	17,115,257
Included on consolidation (Note 1b)	-	60,544	106,788	-	-	1,945,870	-	-	2,113,202
Add: amortization	-	30,013	1,340,937	402,050	73,082	302,002	55,789	97,913	2,301,786
Less: disposals	-	-	-	-	-	(552)	-	-	(552)
Balance, end of year	-	842,113	8,289,953	6,738,273	579,375	3,157,823	925,152	997,004	21,529,693
Net book value	\$ 1,605,243	\$ 414,318	\$ 24,167,204	\$ 3,858,248	\$ 429,884	\$ 1,746,024	\$ 1,252,294	\$ 790,326	\$ 34,263,541

# Nak'azdli Indian Band

## Schedule C - Consolidated Schedule of Other Income year ended March 31, 2016

	2 0 1 6	2 0 1 5
	\$	\$
Natural resource contracts	482,210	2,727,821
Contributions	330,000	31,970
Carrier Sekani Tribal Council	243,065	35,000
Miscellaneous	221,981	777,212
Garbage and snow removal	177,470	70,523
Nursing services - T'lazt'en Nation	110,748	110,748
First Nations Education Steering Committee	63,193	60,554
Federal government	58,350	-
New Relationship Trust	20,000	25,000
MMBC/Integriss recycling	15,576	30,147
Excavator - revenue earned	8,453	50,655
Carpentry program	-	71,342
Insurance proceeds	(1,515)	111,508
Logging and related revenue	(406,250)	150,728
	1,323,281	4,253,208