

CHESLATTA CARRIER NATION
Consolidated Financial Statements
Year Ended March 31, 2014



CHESLATTA CARRIER NATION
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Year Ended March 31, 2014

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CHESLATTA CARRIER NATION

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Management's Responsibility for the Consolidated Financial Reporting

The accompanying consolidated financial statements of Cheslatta Carrier Nation are the responsibility of management and have been approved by the Chief and Council.

The consolidated financial statements have been prepared by management in accordance with Canadian public sector accounting standards prescribed for governments as recommended by the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants and as such include amounts that are the best estimates and judgments of management.

Management is responsible for the integrity and objectivity of these statements and for implementing and maintaining a system of internal controls to provide reasonable assurance that reliable financial information is produced.


The Chief and Council is responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control and is ultimately responsible for reviewing and approving the consolidated financial statements.

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

The external auditors, Tiani Adams & Company Inc., conduct an independent examination, in accordance with Canadian auditing standards, and express their opinion on the consolidated financial statements. The external auditors have full and free access to financial management of Cheslatta Carrier Nation and meet when required.

On behalf of Cheslatta Carrier Nation:


Glenn Sombert, Controller


Corrina Leween, General Manager


Hazel Burr
Councilor


Richard Peters, Chief


Ted Jack
Councilor

Burns Lake, BC
July 25, 2014



INDEPENDENT AUDITOR'S REPORT

To the Chief and Council of Cheslatta Carrier Nation

We have audited the accompanying financial statements of Cheslatta Carrier Nation, which comprise the consolidated statement of financial position as at March 31, 2014 and the consolidated statements of revenues and expenditure and deficit, changes in net 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 financial statements based on our audit. We conducted our audit in accordance with Canadian 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 financial statements. The procedures selected depend on the auditor's 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 statements.

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

Qualified Opinion

In our opinion, except as noted in the following paragraphs, the consolidated financial statements present fairly, in all material respects, the financial position of Cheslatta Carrier Nation as at March 31, 2014 and the results of its operations and its cash flows for the year then ended in accordance with Canadian Public Sector Accounting Standards prescribed for governments.

(continues)

Emphasis of Matter

Without modifying our opinion, we draw attention to Note 13 to the financial statements, which provides details regarding tangible capital assets. The Nation was unable to provide a detailed tangible capital asset listing at historical cost. We were unable to verify the completeness of the valuation of the tangible capital assets included in management's summary financial statements. We were also unable to restate the prior period assets and surplus to reflect the standards required by PS 3150 of the Canadian Institute of Chartered Accountants Handbook.

Without modifying our opinion, we draw attention to the consolidated statement of financial position. In order to comply with funding requirement, a deviation was made from Canadian Public Sector Accounting Standards and the basis of consolidation. A line by line elimination was not performed for the Noot'senay Enterprises Limited Partnership mortgage agreement, resulting in the separate presentation of the receivable and payable of the mortgage.

Prince George, British Columbia
July 28, 2014, except as to Note 20 which is
as of August 19, 2014.

TIANI ADAMS & COMPANY
CHARTERED ACCOUNTANTS

CHESLATTA CARRIER NATION
Consolidated Statement of Financial Position
March 31, 2014

	2014	2013
FINANCIAL ASSETS		
Cash and cash equivalents (Note 3)	\$ 1,397,075	\$ 1,698,988
Accounts receivable (Note 4)	734,971	564,268
Investments (Note 5)	280,924	280,728
Inventory (Note 6)	35,000	30,000
Trust assets (Note 5)	105,984	102,246
Noot'senay Enterprises Limited Partnership mortgage receivable (Note 8)	483,028	500,000
	<u>3,036,982</u>	<u>3,176,230</u>
LIABILITIES		
Accounts payable (Note 9)	352,479	371,395
Noot'senay Enterprises Limited Partnership reforestation obligation (Note 10)	344,127	344,127
Deferred income (Note 11)	236,523	473,023
Debt (Note 12)	1,272,505	1,338,018
	<u>2,205,634</u>	<u>2,526,563</u>
NET ASSETS	<u>831,348</u>	<u>649,667</u>
NON FINANCIAL ASSETS		
Prepaid expenses	65,098	53,908
Tangible capital assets (Note 13)	3,768,957	3,953,004
	<u>3,834,055</u>	<u>4,006,912</u>
ACCUMULATED SURPLUS	<u>\$ 4,665,403</u>	<u>\$ 4,656,579</u>

ON BEHALF OF THE MEMBERS

Richard Pelton Chief
Red Jack Council

Wayne Burt Council

See notes to financial statements



CHESLATTA CARRIER NATION
Statement of Revenues and Expenditures
Year Ended March 31, 2014

	Budget 2014	2014	2013
REVENUE			
Aboriginal Affairs and Northern Development Canada	\$ 1,014,921	\$ 1,052,264	\$ 1,074,948
Contracting	800,000	2,043,164	95,703
Carrier Sekeni Family Services	144,483	144,483	137,067
Other	142,400	841,826	1,494,579
Prince George Nechako Aboriginal Employment and Training Association	88,323	58,177	146,371
Rent	-	189,218	157,068
Logging revenues	159,441	714,077	1,001,852
Province of British Columbia	-	236,500	-
	2,349,568	5,279,709	4,107,588
EXPENSES (Schedule 1)	1,927,049	5,274,623	4,225,010
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES FROM OPERATIONS	422,519	5,086	(117,422)
OTHER INCOME			
Expense reimbursement	-	-	283,921
Loss on disposal of assets	-	-	(30,963)
Trust interest	-	3,738	3,152
	-	3,738	256,110
EXCESS OF REVENUE OVER EXPENSES	\$ 422,519	\$ 8,824	\$ 138,688

See notes to financial statements



CHESLATTA CARRIER NATION
Statement of Changes in Net Assets
Year Ended March 31, 2014

	General Fund	Investment Fund	Trust Fund	2014	2013
NET ASSETS - BEGINNING OF YEAR	\$ 2,390,849	\$ 2,163,484	\$ 102,246	\$ 4,656,579	\$ 3,452,217
Net Contributions (Drawings)	681,262	(681,262)	-	-	(187,086)
Tangible Capital Asset Fund adjustment	-	-	-	-	1,252,760
Excess of revenue over expenses	(306,369)	311,455	3,738	8,824	138,688
NET ASSETS - END OF YEAR	\$ 2,765,742	\$ 1,793,677	\$ 105,984	\$ 4,665,403	\$ 4,656,579

See notes to financial statements



CHESLATTA CARRIER NATION
Statement of Cash Flows
Year Ended March 31, 2014

	2014	2013
OPERATING ACTIVITIES		
Excess of revenue over expenses	\$ 8,824	\$ 138,688
Items not affecting cash:		
Amortization of property, plant and equipment	274,463	270,744
Loss on disposal of assets	-	30,963
Drawings	-	(187,086)
Donation from Rio Tinto Alcan	-	1,252,760
	<u>283,287</u>	<u>1,506,069</u>
Changes in non-cash working capital:		
Accounts receivable	(170,703)	(40,724)
Interest receivable	-	2,037
Inventory	(5,000)	-
Accounts payable	(18,917)	53,806
Deferred income	(236,500)	473,023
Prepaid expenses	(11,190)	(10,182)
	<u>(442,310)</u>	<u>477,960</u>
Cash flow from (used by) operating activities	<u>(159,023)</u>	<u>1,984,029</u>
INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(366,416)	(1,523,981)
Proceeds on disposal of property, plant and equipment	276,000	5,500
Trust assets	(3,738)	(3,152)
Investments	(196)	(387)
Noot'senay Enterprises Limited Partnership mortgage receivable	16,972	-
	<u>(77,378)</u>	<u>(1,522,020)</u>
Cash flow used by investing activities	<u>(77,378)</u>	<u>(1,522,020)</u>
FINANCING ACTIVITIES		
Reforestation	-	(11,780)
Proceeds from debt	6,158	337,125
Repayment of debt	(71,670)	(242,718)
	<u>(65,512)</u>	<u>82,627</u>
Cash flow from (used by) financing activities	<u>(65,512)</u>	<u>82,627</u>
INCREASE (DECREASE) IN CASH FLOW	<u>(301,913)</u>	<u>544,636</u>
Cash - beginning of year	<u>1,698,988</u>	<u>1,154,352</u>
CASH - END OF YEAR (Note 3)	<u><u>\$ 1,397,075</u></u>	<u><u>\$ 1,698,988</u></u>

See notes to financial statements



CHESLATT A CARRIER NATION
Notes to Financial Statements
Year Ended March 31, 2014

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

The consolidated financial statements were prepared in accordance with Canadian public sector accounting standards prescribed for government as recommended by the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants.

Fund accounting

Cheslatta Carrier Nation follows the restricted fund method of accounting for contributions.

The Operating Fund which reports the operating grants, revenue and expenses related to the First Nation administration and program delivery.

The Treaty Fund which reports the revenues, expenses and surplus (deficit) related to the Treaty Negotiations.

The Capital Asset Fund reports the assets, liabilities, revenues and expenses related to Cheslatta Carrier Nation's capital assets.

The Trust Fund which reports on Trust funds owned by Cheslatta Carrier Nation and held by third parties in Ottawa

Reporting Entity

The Cheslatta Carrier Nation reporting entity includes the Nation government and all related entities which are accountable to the Nation and are either owned or controlled by the Nation

Basis of consolidation

All controlled entities are fully consolidated on a line-by-line basis except for the commercial enterprises which meet the definition of government business enterprise, which are included in the Consolidated Financial Statements on a modified equity basis. Inter-organizational balances and transactions are eliminated upon consolidation.

Under the modified equity method of accounting, only Cheslatta Carrier Nation's investment in the government business enterprise and the enterprise's net income and other changes in the equity are recorded. No adjustment is made for accounting policies of the enterprise that are different from those of the Cheslatta Carrier Nation.

The organization consolidated in the Cheslatta Carrier Nation's consolidated financial statements is Noot'senay Enterprises Limited Partnership.

The organizations accounted for on a modified equity basis include: Cheslatta Forest Products Ltd. and Noot'senay Enterprises Ltd.

Cash and cash equivalents

Cash includes cash and cash equivalents. Cash equivalents are investments in treasury bills and are valued at cost plus accrued interest. The carrying amounts approximate fair value because they have maturities at the date of purchase of less than ninety days.

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CHESLATTA CARRIER NATION
Notes to Financial Statements
Year Ended March 31, 2014

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Tangible capital assets

Tangible capital assets are stated at cost, which includes amounts that are directly related to the acquisition, design, construction, development, improvement or betterment of the assets. Cost includes overhead directly attributable to construction and development, as well as interest costs that are directly attributable to the acquisition or construction of the asset.

Tangible capital assets are amortized over their estimated useful lives utilizing the following rates and methods:

Buildings and improvements	5%	straight-line method
Band housing	5%	straight-line method
Infrastructure	4%	straight-line method
Automotive	20%	declining balance method
Furniture and equipment	20%	declining balance method

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

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

Certain assets which have historical or cultural value, including works of art, historical documents and historical and cultural artifacts, are not recognized as tangible capital assets. Assets under construction are not amortized until the asset is available to be put into service.

Measurement uncertainty

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Such estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Actual results could differ from these estimates.

Financial instruments policy

Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, financial assets with actively traded markets are reported at fair value, with any unrealized gains and losses reported in income. All other financial instruments are reported at amortized cost, and tested for impairment at each reporting date. Transaction costs on the acquisition, sale, or issue of financial instruments are expensed when incurred.

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CHESLATTA CARRIER NATION
Notes to Financial Statements
Year Ended March 31, 2014

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Funding Recoveries and Reimbursement

Funding received from the federal government sources in the form of conditional transfer payments are subject to recovery by the crown for unexpected balances or unallowable expenses. The crown may also reimburse over expenditures upon determining adherence to the terms and conditions of payment for a specified purpose. Recoveries and reimbursements are accounted for when they are determined to be payable or reimbursed.

Revenue Recognition

Revenues are recognized in the period in which the transactions or events occurred that gave rise to the revenues. All revenues are recorded on an accrual basis, except when the accruals cannot be determined with a reasonable degree of certainty or when their estimation is impracticable.

Government transfers are recognized as revenues when the transfer is authorized and any eligibility criteria are met, except to the extent that transfer stipulations give rise to an obligation that meets the definition of a liability. Transfers are recognized as deferred revenue when transfer stipulations give rise to a liability. Transfer revenue is recognized in the statement of operations as the stipulation liabilities are settled

Contributions from other sources are deferred when restrictions are placed on their use by the contributor, and are recognized as revenue when used for the specific purpose.

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

2. NOOT'SENAY ENTERPRISES LIMITED PARTNERSHIP

The compiled financial statements for Noot'senay Enterprises Limited Partnership were prepared by another chartered accounting firm. As such, we have not performed an audit or a review engagement in respect of these financial statements and, accordingly, we express no assurance thereon.

3. CASH

	<u>2014</u>	<u>2013</u>
Cash and cash equivalents	\$ 1,030,332	\$ 1,232,378
Term deposits	366,743	466,610
	<u>\$ 1,397,075</u>	<u>\$ 1,698,988</u>

CHESLATTA CARRIER NATION
Notes to Financial Statements
Year Ended March 31, 2014

4. ACCOUNTS RECEIVABLE

	<u>2014</u>	<u>2013</u>
Loans and advances	\$ 391,302	\$ 389,674
Housing - rent arrears	566,075	466,250
Other	503,052	292,194
Accounts receivable - Noot'senay Enterprises Limited Partnership	<u>402</u>	<u>42,185</u>
Subtotal	1,460,831	1,190,303
Allowance for doubtful accounts	<u>(725,860)</u>	<u>(626,035)</u>
	<u>\$ 734,971</u>	<u>\$ 564,268</u>

5. INVESTMENTS

	<u>2014</u>	<u>2013</u>
Cheslatta Forest Products Ltd.	\$ 3	\$ 3
Guaranteed Investment Certificates	255,132	255,132
Noot'senay Enterprises Ltd.	<u>100</u>	<u>100</u>
	<u>\$ 255,235</u>	<u>\$ 255,235</u>
.		
Vanderhoof Co-Op Equity	<u>\$ 25,689</u>	<u>\$ 25,493</u>
	<u>\$ 280,924</u>	<u>\$ 280,728</u>

The value of the investment in Noot'senay Enterprises Ltd. is recorded based on the net Partners' Equity as presented on the compiled financial statements prepared by another chartered accounting firm. We have not performed an audit or a review engagement in respect of these financial statements and, accordingly, we express no assurance thereon.

Investment in Vanderhoof Co-op Equity is comprised of the proportionate share of equity earned from purchases at Vanderhoof Co-op.

6. INVENTORY

	<u>2014</u>	<u>2013</u>
Noot'senay Enterprises Limited Partnership - Rough Lumber Inventory	\$ 30,000	\$ 30,000
Inventory	<u>5,000</u>	<u>-</u>
	<u>\$ 35,000</u>	<u>\$ 30,000</u>

CHESLATTA CARRIER NATION
Notes to Financial Statements
Year Ended March 31, 2014

7. TRUST ASSETS

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

	<u>2014</u>	<u>2013</u>
Balance, beginning of year	\$ 102,246	\$ 99,094
Additions:		
Interest earned	2,917	2,329
BC Special	821	823
	<u>\$ 105,984</u>	<u>\$ 102,246</u>

Trust funds are represented by:

Revenue fund	\$ 69,720	\$ 65,982
Capital fund	36,264	36,264
	<u>\$ 105,984</u>	<u>\$ 102,246</u>

8. NOOT'SENAY ENTERPRISES LIMITED PARTNERSHIP MORTGAGE RECEIVABLE

	<u>2014</u>	<u>2013</u>
Noot'senay Enterprises Limited Partnership Mortgage bearing interest at prime plus 1.0% (March 31, 2013 - 4.0%) per annum, repayable in monthly principal payments of \$5,750 plus interest. The loan matures in December 2021 and is secured by the assignment of rents on the houses owned by Cheslatta Carrier Nation.	<u>\$ 483,028</u>	<u>\$ 500,000</u>

Principal repayment terms are approximately:

2015	\$ 55,351
2016	57,024
2017	58,748
2018	60,523
2019	62,353
Thereafter	189,029
	<u>\$ 483,028</u>

CHESLATTA CARRIER NATION
Notes to Financial Statements
Year Ended March 31, 2014

9. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	<u>2014</u>	<u>2013</u>
Trade payables	\$ 161,830	\$ 256,952
Government remittances	126,084	32,480
Accrued wages and benefits	33,889	29,178
Accounts payable - Noot'senay Enterprises Limited Partnership	<u>30,676</u>	<u>52,783</u>
	<u>\$ 352,479</u>	<u>\$ 371,393</u>

10. NOOT'SENAY ENTERPRISES LIMITED PARTNERSHIP REFORESTATION OBLIGATION

Noot'senay Enterprises Limited Partnership reforestation obligations include obligations for forest licences A76469, A65246, A72268 and K1M. These obligations were assumed by Noot'senay Enterprises Limited Partnership through Cheslatta Forest Products Ltd. These reforestation obligations are being mitigated by the Guaranteed Investment Certificates of \$255,132 in note 5. During the year there has been no silviculture expenses incurred.

11. DEFERRED INCOME

Deferred income consists of cash paid by the Province of British Columbia to cover the costs of replanting a cut block destroyed by a forest fire. As of March 31, 2014, approximately half of the obligation has been fulfilled.

12. DEBT

	<u>2014</u>	<u>2013</u>
Indian and Northern Affairs Canada bearing interest at the specified Consolidated Revenue Fund Lending Rate to Crown Corporations of the equivalent yield on a Treasury bill plus 1/8 of 1% (March 27, 2014 - 1.15%) and is currently due and payable.	\$ 536,553	\$ 530,395
Noot'senay Enterprises Limited Partnership Mortgage bearing interest at prime plus 1.75% (March 31, 2013 - 4.75%) per annum, repayable in monthly principal payments of \$5,750 plus interest. The loan matures in December 2021 and is secured by the assignment of rents on the houses owned by Cheslatta Carrier Nation.	483,028	500,000
Royal Bank of Canada Demand Loan bearing interest at 2.76% per annum, repayable in monthly blended payments of \$1,332. The mortgage matures in October 2017 and is secured by receipt of signed band council resolution, ministerial guarantee and approved lender loan agreement, CMHC Insurance and conditions documents, and assignment of fire insurance to Royal Bank.	73,427	87,168

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CHESLATTA CARRIER NATION
Notes to Financial Statements
Year Ended March 31, 2014

12. DEBT (continued)

	<u>2014</u>	<u>2013</u>
Royal Bank of Canada Demand Loan loan bearing interest at 2.76% per annum, repayable in monthly blended payments of \$1,284. The loan matures on October 1, 2017 and is secured by receipt of signed band council resolution, ministerial guarantee and approved lender loan agreement, CMHC Insurance and conditions documents, and assignment of fire insurance to Royal Bank.	70,781	84,027
Royal Bank of Canada Loan bearing interest at 4.75% per annum, repayable in monthly blended payments of \$1,750. The mortgage matures in October 2017 and is secured by a general security agreement and specific equipment with a net book value of \$80,036.	68,822	86,101
Royal Bank of Canada Loan loan bearing interest at 4.75% per annum, repayable in monthly blended payments of \$1,050. The loan matures on September 4, 2013 and is secured by a general security agreement and specific equipment with a net book value of \$44,410.	39,894	50,327
	<u>\$ 1,272,505</u>	<u>\$ 1,338,018</u>

Principal repayment terms are approximately:

2015	\$ 112,182
2016	116,042
2017	120,043
2018	107,911
2019	90,747
Thereafter	<u>725,580</u>
	<u>\$ 1,272,505</u>

Treaty Negotiation Loan

Cheslatta Carrier Nation has signed a loan agreement representing advances made by Canada for negotiation.

The loan is due and payable by Cheslatta Carrier Nation to Canada, and the Nation will pay the loan to Canada on the earliest of the following dates:

1. The date a treaty is signed by the negotiating parties takes effect unless otherwise agreed in the treaty;
2. The twelfth anniversary of the date of the first loan advance by Canada to the Nation under the earliest First Nation Funding Agreement (October 17, 1995);
3. The seventh anniversary after the signing of an Agreement in Principle;
4. The date the Federal Minister demands payment of the loan due to an event of default under this agreement or under any First Nation Funding Agreement.

CHESLATTA CARRIER NATION
Notes to Financial Statements
Year Ended March 31, 2014

13. TANGIBLE CAPITAL ASSETS

	2014		2013	
	Cost	Accumulated amortization	Cost	Accumulated amortization
Barge	\$ 118,500	\$ 25,833	\$ 418,500	\$ 33,480
Equipment	763,397	1,396,906	755,797	1,261,263
Housing - trust	1,800,154	790,378	1,800,154	709,077
Land	1,706,477	-	1,706,477	-
Motor vehicles	938,731	34,437	855,914	20,257
Other machinery and equipment	291,000	-	15,000	-
Social Housing land	60,140	-	60,140	-
Social Housing buildings	779,201	466,795	779,201	439,808
Social Housing equipment	25,706	-	25,706	-
	\$ 6,483,306	\$ 2,714,349	\$ 6,416,889	\$ 2,463,885
Net book value	\$ 3,768,957		\$ 3,953,004	

14. PRIOR PERIOD ADJUSTMENT

Movements in surplus (deficit) are as follows:

	2014	2013
Surplus (Deficit) beginning of the year	\$ 4,656,579	\$ 3,452,217
Excess of revenues over expenditure for the year	66,324	144,465
Tangible Capital Asset Fund adjustment	-	1,252,760
Net drawings	(57,500)	(187,086)
Subtotal	4,665,403	4,662,356
Correction of error to surplus (deficit)*	-	(5,777)
Administration Surplus - Schedule 1	-	116,153
Noot'senay Enterprises Limited Partnership Surplus - Schedule 22	-	(116,153)
Surplus (Deficit) end of year	\$ 4,665,403	\$ 4,656,579

The opening balance as at April 1, 2013 has been restated for an adjustment in the recognized revenues relating to the contract with Carrier Sekani Family Services.

The opening surpluses for Administration and Noot'senay Enterprises Limited Partnership has been restated. The amounts in the due to from accounts which has been previously eliminated upon consolidation have been restated as a partnership drawing in the Noot'senay Enterprises Limited Partnership and as a contribution in the administration fund.

In 2013, Cheslatta First Nation accounted for revenues associated with the existing contract with Carrier Sekani Family Services. The contract was subsequently amended resulting in the revenues being decreased. In 2014, the Nation adjusted the revenue with respect this amendment retroactively, and the comparative information for 2013 has been restated. The effect of the change is a \$5,777 reduction in the surplus for the year ended March 31, 2013. Furthermore, opening retained earnings for 2013 have been reduced by \$5,777, which is the amount of the adjustment relating to periods before 2014.

CHESLATTA CARRIER NATION
Notes to Financial Statements
Year Ended March 31, 2014

15. CONTINGENT LIABILITY

The Aboriginal Affairs and Northern Development Canada has signed ministerial guarantees for the purpose of housing loans. The balance owing at year end is \$92,794 (March 31, 2013 - \$92,794).

Aboriginal Affairs and Northern Development Canada may identify overpayments in the year ending March 31, 2014. The amount of program recoveries, if any, will be recognized in the period that they occur.

16. RECONCILIATION OF AANDC FUNDING AGREEMENT REVENUE

Pursuant to the instructions provided by Aboriginal Affairs and Northern Development Canada Year-end Reporting Handbook for First Nations, Tribal Councils and First Nation Political Organizations dated March 2014, the following reconciliation has been prepared:

Recipient total as per 2013/2014 funding confirmation	\$ 1,052,264
AANDC revenue per summary financial statements	\$ 1,052,264

17. ECONOMIC DEPENDENCE

Cheslatta Carrier Nation receives a significant portion of its revenues pursuant to a funding arrangement with Aboriginal Affairs and Northern Development Canada.

18. FINANCIAL INSTRUMENTS

Cheslatta Carrier Nation is exposed to various risks through its financial instruments and has a comprehensive risk management framework to monitor, evaluate and manage these risks. The following analysis provides information about the Nation's risk exposure and concentration as of March 31, 2014.

Credit risk

Credit risk arises from the potential that a counter party will fail to perform its obligations. The Nation is exposed to credit risk from customers. In order to reduce its credit risk, the Nation reviews a new customer's credit history before extending credit and conducts regular reviews of its existing customers' credit performance. An allowance for doubtful accounts is established based upon factors surrounding the credit risk of specific accounts, historical trends and other information. The Nation has a significant number of customers which minimizes concentration of credit risk.

Interest rate risk

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. In seeking to minimize the risks from interest rate fluctuations, the Nation manages exposure through its normal operating and financing activities. The Nation is exposed to interest rate risk primarily through its floating interest rate bank indebtedness and credit facilities.

19. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform to the current year's presentation.

CHESLATTA CARRIER NATION
Notes to Financial Statements
Year Ended March 31, 2014

20. BUDGET INFORMATION

Budget information was omitted from the financial statements dated July 28, 2014 has been subsequently included. The budget information has been provided by the Chief and Council and has not been audited.

CHESLATTA CARRIER NATION

Expenses

(Schedule 1)

Year Ended March 31, 2014

	Budget 2014	2014	2013
Accounting fees	\$ 81,820	\$ 166,830	\$ 140,116
Administration costs	23,289	249,880	106,918
Adult care	17,886	18,320	25,973
Advertising and promotion	600	8,684	8,329
Amortization	-	274,463	270,744
Ancillary services	-	11,309	14,023
Bad debts	-	100,327	61,662
Basic needs	190,200	186,488	198,435
Capital purchases	6,800	5,703	256,221
Child out of parental home	23,040	25,621	25,404
Community support	82,000	122,429	165,986
Consulting fees	35,671	142,572	-
Employment and training	-	1,536	8,985
Equipment rentals	-	204,630	105,471
Gas and oil	13,200	21,134	22,021
Honorarium - elected officials	82,028	83,536	74,905
Housing renovations	28,500	107,734	71,520
Housing renovations - CEAP	-	5,132	6,103
Insurance	56,140	54,535	64,906
Interest and bank charges	6,600	6,446	9,911
Job development	10,000	6,691	24,603
Membership, licences and fees	850	1,688	882
Mortgage - interest portion	-	56,233	25,799
Mortgage - principal portion	-	-	27,699
National child benefit	72,000	35,446	70,833
Office	29,906	11,520	8,445
Post secondary	125,005	142,031	140,393
Professional fees	41,820	342,379	427,788
Project costs	21,950	35,680	55,913
Property taxes	15,500	56,343	13,767
Recovery by Government of Canada	(37,343)	105,268	28,667
Rental	-	-	44,016
Repairs and maintenance	9,480	90,367	36,725
Special needs	17,886	7,517	8,304
Sub-contracts	51,700	641,815	78,992
Supplies	40,820	243,612	98,243
Telephone	24,000	63,341	53,754
Training	47,892	12,779	-
Travel	7,636	113,751	97,089
Travel - elected officials	7,800	30,572	21,278
Travel - patient	-	47,519	49,548
Utilities	15,600	20,771	29,494
Wages and benefits	776,773	1,411,991	1,245,145
	\$ 1,927,049	\$ 5,274,623	\$ 4,225,010

See notes to financial statements

