

T. Todd

**Cheslatta Carrier Nation
Consolidated Financial Statements**
March 31, 2015

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Cheslatta Carrier Nation

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For the year ended March 31, 2015

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Independent Auditors' Report

To the Members of Cheslatta Carrier Nation:

We have audited the accompanying financial statements of Cheslatta Carrier Nation, which comprise the statement of financial position as at March 31, 2015, and the 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 Financial Statements

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

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 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.

We were unable to observe sufficient evidence of the review and approval of Cheslatta Carrier Nation's budget. Therefore, we were unable to determine whether adjustments to budgeted operations or budgeted changes in net financial assets might be necessary to present these figures as originally planned in the financial statements.

Qualified Opinion

In our opinion, except for the possible effects of the matters described in the Basis for Qualified Opinion paragraph, the financial statements present fairly in all material respects the financial position of Cheslatta Carrier Nation as at March 31, 2015 and the results of its operations, changes in net financial assets 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 29, 2014.

Prince George, British Columbia

July 27, 2015

MNP LLP
Chartered Accountants

Management's Responsibility

To the Members of Cheslatta Carrier Nation:

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

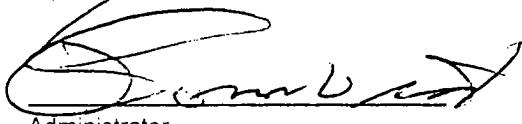
Management is responsible for the preparation and presentation of the accompanying consolidated financial statements, including responsibility for significant accounting judgments and estimates in accordance with Canadian public sector accounting standards. This responsibility includes selecting appropriate 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 the consolidated financial statements.

The Cheslatta Carrier Nation Council is responsible for overseeing management in the performance of its financial reporting responsibilities, and for approving the financial statements. The Council fulfils 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, an independent firm of Chartered Accountants, is appointed by Chief and Council 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 with, both the Council and management to discuss their audit findings.

July 27, 2015

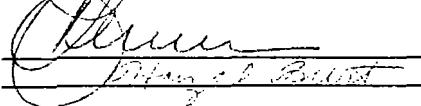


Administrator

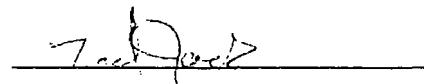
Cheslatta Carrier Nation
Consolidated Statement of Financial Position
As at March 31, 2015

	2015	2014
Financial assets		
Cash and cash equivalents (Note 3)	1,188,554	1,397,075
Accounts receivable (Note 4)	1,106,198	734,971
Investments	3,503	280,924
Advances to Nation business entities (Note 7)	6,899	-
Investment in Nation business entities (Note 5)	1,719,437	-
Trust assets (Note 6)	109,371	105,984
Noot'senay Enterprises Limited Partnership Mortgage Receivable	-	483,028
Total financial assets	4,133,962	3,001,982
Financial liabilities		
Accounts payable and accruals (Note 8)	559,547	352,479
Deferred revenue (Note 9)	236,523	236,523
Long-term debt (Note 10)	1,166,151	1,272,507
Noot'senay Enterprises Limited Partnership reforestation obligation	-	344,127
Total financial liabilities	1,962,221	2,205,636
Net financial assets	2,171,741	796,346
Contingencies (Note 11)		
Non-financial assets		
Tangible capital assets (Schedule 1)	3,316,936	3,768,957
Inventory (Note 12)	5,105	35,000
Prepaid expenses	92,387	65,098
Total non-financial assets	3,414,428	3,869,055
Accumulated surplus (Note 17)	5,586,169	4,665,401

Approved on behalf of the Members



Chief
Council



Council

Cheslatta Carrier Nation
Consolidated Statement of Operations and Accumulated Surplus
For the year ended March 31, 2015

	Schedules	2015 Budget Note 16 (unaudited)	2015	2014
Revenue				
Aboriginal Affairs and Northern Development Canada (Note 14)		626,123	824,218	946,996
Contracting		-	1,224,913	743,164
Logging revenues		4,318,441	976,248	2,014,077
Carrier Sekani Family Services		-	110,573	144,483
Prince George Nechako Aboriginal Employment & Training Association		-	52,803	58,177
Rent		-	262,800	189,218
Province of British Columbia		-		236,500
Other		252,814	1,686,811	845,564
Loss from investment in Nation business entities (Note 5)		-	(38,115)	-
		5,197,378	5,100,251	5,178,179
Program expenses				
Administration	3	1,048,938	1,264,561	742,166
Operations & Maintenance	4	162,926	162,847	135,874
Education	5	137,280	152,315	338,817
Social Development	6	448,522	381,551	409,105
Community Health	7	143,014	105,955	100,995
Community Support	8	209,950	238,138	134,855
Housing	9	-	646,020	313,919
Treaty	10	-	5,839	6,158
Capital	11	-	240,242	208,876
Economic Development	12	1,718,954	1,186,939	2,778,593
Total expenditures		3,869,584	4,384,407	5,169,358
Annual surplus		1,327,794	715,844	8,821
Accumulated surplus, beginning of year		4,665,401	4,665,401	4,656,580
Change in status of Government Business Enterprises		-	204,924	-
Accumulated surplus, end of year (Note 17)		5,993,195	5,586,169	4,665,401

The accompanying notes are an integral part of these financial statements

Cheslatta Carrier Nation
Consolidated Statement of Change in Net Financial Assets
For the year ended March 31, 2015

	2015 <i>Budget</i> <i>Note 16</i> <i>(unaudited)</i>	2015	2014
Annual surplus	1,327,794	715,844	8,821
Purchases of tangible capital assets	-	(338,382)	(366,416)
Amortization of tangible capital assets	-	240,242	274,463
Proceeds of disposal of tangible capital assets	-	-	276,000
Change in tangible capital assets	-	550,161	-
	-	452,021	184,047
Acquisition of prepaid expenses	-	(27,289)	(11,190)
Change in inventory	-	29,895	(5,000)
Change in status of government business enterprise	-	204,924	-
	-	207,530	(16,190)
Increase in net financial assets	1,327,794	1,375,395	176,678
Net financial assets, beginning of year	793,346	796,346	619,668
Net financial assets, end of year	2,121,140	2,171,741	796,346

Cheslatta Carrier 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	715,844	8,821
Non-cash items		
Amortization	240,242	274,463
Bad debts	205,562	-
Loss from investment in Nation business entities	38,115	-
Change in investments	(1,487,667)	-
Change in tangible capital assets reclassified to Nation business entity	550,161	-
Noot'senay mortgage reclassified to Nation business entity	483,028	-
Reforestation obligation reclassified to Nation business entity	(344,127)	-
	401,158	283,284
Changes in working capital accounts		
Accounts receivable	(371,227)	(170,703)
Prepaid expenses	(27,289)	(11,190)
Accounts payable	207,066	(18,913)
Deferred Revenue	-	(236,500)
Inventory	29,895	(5,000)
	239,603	(159,022)
Financing activities		
Proceeds from debt	-	6,157
Repayment of long-term debt	(106,355)	(71,670)
	(106,355)	(65,513)
Investing activities		
Purchases of tangible capital assets	(338,382)	(366,416)
Increase in funds held in trust	(3,387)	(3,738)
Increase in investments	-	(196)
Change in Noot'senay Enterprises Limited Partnership mortgage	-	16,972
Proceeds of disposal of tangible capital assets	-	276,000
	(341,769)	(77,378)
Increase (decrease) in cash resources	(208,521)	(301,913)
Cash resources, beginning of year	1,397,075	1,698,988
Cash resources, end of year	1,188,554	1,397,075

The accompanying notes are an integral part of these financial statements

Cheslatta Carrier Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2015

1. Operations

The Cheslatta Carrier Nation (the "Nation") is located in the province of British Columbia, and provides various services to its members. Cheslatta Carrier 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 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 consolidated

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 Cheslatta Carrier Nation are excluded from the Nation reporting entity.

Cheslatta Carrier 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 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:

- Cheslatta Forest Products Ltd.
- Noot'senay Enterprises Ltd.
- Noot'senay Enterprises Limited Partnership

Basis of presentation

Sources of revenues and expenses are recorded on the accrual basis of accounting. The accrual basis of accounting recognizes revenues as they become 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 exceeding \$5,000 are recorded at cost less accumulated amortization. Contributed tangible capital assets are recorded at their fair value on the date of contribution. Amortization is provided on a straight-line basis over the estimated useful life of the assets or declining balance basis at the following rates. In the year of acquisition amortization is taken at one-half the rates. See below for amortization rates of specific assets categories.

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

Cheslatta Carrier Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2015

2. Significant accounting policies *(Continued from previous page)*

Amortization

Amortization for tangible capital assets is provided using the following methods at rates intended to amortize the cost of the assets over their estimated useful lives:

	Method	Rate
Buildings	straight-line	5 %
Social Housing - Buildings	straight-line	5 %
Infrastructure	straight-line	4 %
Vehicles	declining balance	20 %
Equipment	declining balance	15 - 20 %
Social Housing - Equipment	declining balance	20 %

Funds held in trust

Funds held in trust on behalf of Nation members by the Government of Canada in the Ottawa Trust Fund are reported on the balance sheet with an offsetting amount in accumulated surplus. Trust monies consist of:

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

Net financial assets

The Nation's financial statements are presented so as to highlight net financial assets as the measurement of financial position. The net financial assets of the Nation is determined by its financial assets less its liabilities. Net financial assets 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 and prepaid expenses.

Cheslatta Carrier Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2015

2. Significant accounting policies *(Continued from previous page)*

Revenue recognition

i) Government Funding

The Nation recognizes a government transfer as revenue when the transfer is authorized and all eligibility 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) Contributions

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.

iii) Housing Rental Income

Rental revenue is recorded in the year it is earned. At the end of each year management evaluates whether rent revenue is collectible and records a bad debt expense and allowance for doubtful accounts for those amounts designated as unlikely to be collected.

iv) 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.

v) Other revenue

Revenue such as contracting and other revenue is recognized when performance is achieved, amounts are reasonably estimated and collection is reasonably assured.

Financial instruments

The Nation's financial instruments consists of cash, trust assets, accounts receivable, portfolio investments, advances to related Nation 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.

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 expenditures during the reporting period. Accounts receivable are stated after evaluation as to their collectibility 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 earnings in the periods in which they become known.

Cheslatta Carrier Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2015

2. Significant accounting policies (Continued from previous page)

Long-lived assets

Long-lived assets consists of tangible capital assets with finite useful lives. 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 asset's service potential is reduced. Impairment is measured as the amount by which the assets' carrying amount exceeds its fair value. Any impairment is included in earnings 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 15. 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.

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.

In August 2010, the Public Sector Accounting Board (PSAB) issued PS 2125 *First-time Adoption by Government Organizations*. PS 2125 establishes recognition, measurement, presentation and disclosure standards relating to adoption by a government organization of the CICA Public Sector Accounting (PSA) Handbook for the first time. This new section specifically addresses the accounting in a government organization's first set of financial statements prepared in accordance with Canadian public sector accounting standards. As a result of the Department of Aboriginal Affairs and Northern Development Canada requiring First Nations to apply the Canadian public sector accounting standards, the First Nation must follow the requirements in this section. PS 2125 is effective for fiscal years beginning on or after January 1, 2011; however, early adoption is permitted. The First Nation does not expect adoption of the new standards to have a material impact on its consolidated financial statements.

3. Cash and cash equivalents

	2015	2014
Cash and cash equivalents	1,171,677	1,030,332
Term deposits	16,877	366,743
	1,188,554	1,397,075

Cheslatta Carrier Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2015

4. Accounts receivable

	2015	2014
Loans and advances	399,908	391,302
Housing	752,793	566,075
Trade accounts receivable	884,919	503,052
Noot'senay Enterprises Limited Partnership	-	402
Allowance for doubtful accounts	(931,422)	(725,860)
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	1,106,198	734,971

5. Investment in Nation business entities

The Nation has investments in the following entities:

	<i>Investment cost</i>	<i>Loans / advances</i>	<i>Cumulative share of loss</i>	<i>2015 Total investment</i>
Wholly-owned Businesses:				
Cheslatta Forest Products Ltd.	2	-	(24,224)	(24,222)
Noot'senay Enterprises Ltd.	251	-	(835)	(584)
	<hr/>	<hr/>	<hr/>	<hr/>
	253	-	(25,059)	(24,806)
First Nation Business Partnerships – Modified Equity:				
Noot'senay Enterprises Limited Partnership - 100%	1,677,371	79,927	(13,055)	1,744,243
	<hr/>	<hr/>	<hr/>	<hr/>
	1,677,624	79,927	(38,114)	1,719,437

The financial statements of Cheslatta Forest Products Ltd, Noot'senay Enterprises Ltd., and Noot'senay Enterprises Limited Partnership 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:

Cheslatta Carrier Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2015

	<i>Cheslatta Forest Products</i> <i>As at March 31, 2015</i>	<i>Noot'senay Enterprises Ltd.</i> <i>As at March 31, 2015</i>	<i>Noot'senay Enterprises Limited Partnership</i> <i>As at March 31, 2015</i>
Assets			
Cash	-	-	831,398
Accounts receivable	1,321	15	-
Investments	-	-	277,532
Prepaid expenses and deposits	-	-	1,480
Property, plant and equipment	-	-	498,292
Current portion of mortgage receivable	-	-	69,000
Mortgage receivable	-	-	427,677
Due from related party	1,575	10	-
Total assets	2,896	25	2,105,379
Liabilities			
Accounts payable and accruals	(6,932)	(3,856)	7,316
GST payable	-	-	9,541
Reforestation obligation	-	-	344,127
Bank indebtedness	27,151	4,706	-
Due to related party	6,899	-	-
Total liabilities	27,118	850	360,984
Equity	(24,222)	(825)	1,744,395
Total revenue	2,679	-	113,040
Total expenses	26,903	835	126,096
Net loss	(24,224)	(835)	(13,056)
Comprehensive loss	(24,224)	(835)	(13,056)

6. Trust Assets

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 year	69,720	68,899
BC Special	815	821
Balance, end of year	70,535	69,720
Revenue Trust		
Balance, beginning of year	36,264	33,347
Interest	2,572	2,917
Balance, end of year	38,836	36,264
Combined balance, end of year	109,371	105,984

Cheslatta Carrier Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2015

Ottawa Trust Funds

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.

7. Advances to related nation entities

During the year, loans were advanced to related Nation entities. The advance bears no interest and has no fixed terms of repayment

8. Accounts payable

	2015	2014
Trade Payables	480,762	267,098
Government Remittances	41,225	18,099
Noot'senay Enterprises Limited Partnership	-	30,676
Accrued wages and benefits	37,560	36,606
	559,547	352,479

9. Deferred revenue

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, 2015, approximately 50% of the obligation has been fulfilled.

10. Long-term debt

	2015	2014
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.	542,393	536,553
Noot'senay Enterprises Limited Partnership Mortgage bearing interest at prime plus 1% (March 31, 2014 - prime plus 1%) 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.	427,677	483,028
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.	59,284	73,427
Royal Bank of Canada Demand 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.	57,148	70,781
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.	50,696	68,822

Cheslatta Carrier Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2015

Royal Bank of Canada 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.	28,954	39,895
	1,166,152	1,272,506

Principal repayments on long-term debt in each of the next five years are estimated as follows:

2016	116,144
2017	120,101
2018	107,747
2019	90,736
2020	731,421
	<hr/>
	1,166,149
	<hr/>

Interest on long-term debt amounted to \$27,643 (2014 - \$44,939)

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.

11. Contingencies

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, 2014 - \$92,794).

Aboriginal Affairs and Northern Development Canada may identify overpayments in the year ending March 31, 2015. The amount of program recoveries, if any, will be recognized in the period that they occur.

12. Inventory

	2015	2014
Noot'senay Enterprises Limited Partnership - Rough Lumber Inventory	-	30,000
Chief Louis Paddle Company - Inventory	5,105	5,000
	<hr/>	<hr/>
	5,105	35,000

Cheslatta Carrier Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2015

13. Economic dependence

Cheslatta Carrier Nation receives a significant portion of its revenues from Aboriginal Affairs and Northern Development Canada (AANDC) as a result of funding agreements entered into with the Government of Canada. These 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.

14. Aboriginal Affairs and Northern Development Canada funding reconciliation

Pursuant to the instructions provided by Aboriginal Affairs and Northern Development Canada, the following reconciliation has been prepared:

	2015	2014
Direct Band Funding		
AANDC revenue per confirmation	848,513	1,052,264
Recovery	(24,295)	(105,268)
 AANDC revenue per summary financial statements	 824,218	 946,996

15. 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 organized by segments.

Administration

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

Operations and maintenance

Includes revenues and expenses relating to the operating and maintenance of Cheslatta Carrier Nation.

Social Development

Includes revenues and expenses related to social assistance for band members.

Education

Includes revenues and expenses related to primary, secondary and post secondary education of the members of Cheslatta Carrier Nation.

Community health

Includes activities related to the provision of health related services for the members of Cheslatta Carrier Nation.

Community support

Includes activities related to the support of members through community projects.

Housing

Includes revenues and expenses relating to maintenance of housing for members of Cheslatta Carrier Nation.

Treaty

Includes revenues and expenditures related to the Treaty Fund with AANDC.

Capital

Includes revenue and expenditures related to capital projects.

Economic development

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

Cheslatta Carrier Nation
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For the year ended March 31, 2015

16. Budget information

The disclosed budget information has not been approved by the Chief and Council of Cheslatta Carrier Nation. It is disclosed for information purposes only, and should not be relied upon for other purposes.

17. Accumulated surplus

Accumulated surplus consists of the following:

	2015	2014
Equity in Ottawa Trust funds	109,371	105,984
Equity in operating fund	1,064,184	1,526,413
Equity in tangible capital assets	2,693,177	3,033,005
Equity in enterprise fund	1,719,437	-
	<hr/> 5,586,169	<hr/> 4,665,402

18. Comparative figures

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

19. Change in accounting policy

Liability for contaminated sites

Effective April 1, 2014, the Nation adopted the Public Sector Accounting Board's (PSAB) new recommendations for the recognition, measurement and disclosure of a liability associated with the remediation of contaminated sites under PS 3260 Liability for Contaminated Sites. The new standard defines activities included in a liability for remediation, establishes when to recognize and how to measure a liability for remediation, and provides the related financial statement presentation and disclosure requirements. Pursuant to these recommendations, the change was applied retrospectively, and prior periods have been restated.

Previously, no accounting policy existed to account for a liability for contaminated sites. Under the new recommendations, a liability for remediation of a contaminated site is recognized when certain criteria are met and at the best estimate of the amount required to remediate the site.

There was no impact on the financial statements from the retrospective application of the new accounting recommendations.