

**TL'ETINQOX GOVERNMENT
SUMMARY FINANCIAL STATEMENTS**

March 31, 2015

RHB SCHMITZ de GRACE
Chartered Accountants

TL'ETINQOX GOVERNMENT

INDEX

For the year ended March 31, 2015

SUMMARY FINANCIAL STATEMENTS

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TL'ETINQOX GOVERNMENT

P.O. Box 168, Alexis Creek, B.C. V0L 1A0

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CHIEF AND COUNCIL AND MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The accompanying financial statements of Tl'etinqox Government (the "Government") are the responsibility of management and have been approved by Chief and Council.

The financial statements have been prepared by management in accordance with Canadian public sector accounting standards. 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 financial statements are presented fairly, in all material respects.

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

Chief and Council are responsible for ensuring the integrity of the Government's accounting and reporting systems and that appropriate internal controls are in place, including those for monitoring risk, financial reporting and compliance with the law and that management fulfils its responsibilities for financial reporting. Chief and Council are ultimately responsible for reviewing and approving the financial statements.

Chief and Council review Tl'etinqox Government's financial statements and recommends their approval. Chief and Council meet 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 annual report, the financial statements and the external auditors' report. Chief and Council take this information into consideration when approving the financial statements for issuance to the Members. Chief and Council also consider the engagement of the external auditors.



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CHIEF AND COUNCIL AND MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING, continued

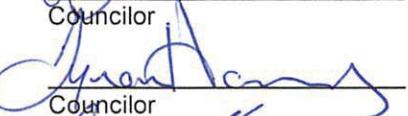
The financial statements have been audited by RHB Schmitz de Grace, Chartered Accountants in accordance with Canadian generally accepted auditing standards on behalf of the members. RHB Schmitz de Grace, Chartered Accountants have full and free access to Chief and Council.

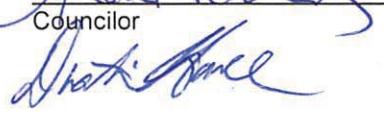
Williams Lake, BC
June 30, 2015

Chief

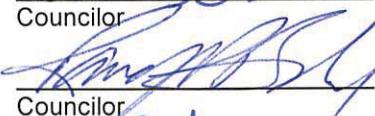

Councilor

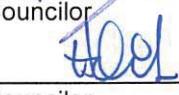

Councilor


Councilor


Councilor


Councilor


Councilor


Councilor

RHB SCHMITZ de GRACE

Chartered Accountants

Partners

- Lynn Ross, CPA, CA
- Norm Hildebrandt, CPA, CA
- Alison Beswick, CPA, CA

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INDEPENDENT AUDITORS' REPORT

**To the Members of
Tl'etinqox Government**

We have audited the accompanying summary financial statements of Tl'etinqox Government, which comprise the summary statement of financial position as at March 31, 2015, and the summary statements of financial activities, changes in net debt and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these summary 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 summary financial statements based on our audit. We conducted our audit in accordance with Canadian public sector accounting 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 summary financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the summary 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 summary 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.

RHB SCHMITZ de GRACE

Chartered Accountants

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INDEPENDENT AUDITORS' REPORT, continued

Opinion

In our opinion, the summary financial statements present fairly, in all material respects, the financial position of Tl'etinqox Government as at March 31, 2015, and its financial performance and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.



Prince George, BC
June 30, 2015

Chartered Accountants

TL'ETINQOX GOVERNMENT

SUMMARY STATEMENT OF FINANCIAL POSITION

March 31, 2015

	2015	2014 (restated)
FINANCIAL ASSETS		
Cash	\$ 1,330,512	\$ -
Accounts receivable (Note 2)	188,709	1,147,638
Due from related party (Note 8)	47,377	-
Inventories	40,165	57,283
Investments and advances (Notes 1 and 5)	285,561	663,372
Trust assets (Note 18)	<u>109,589</u>	<u>103,347</u>
	<u>2,001,913</u>	<u>1,971,640</u>
LIABILITIES		
Accounts payable and accrued liabilities (Note 6)	1,628,998	1,418,079
Long-term debt (Note 9)	754,165	863,679
Bank indebtedness (Note 7)	-	272,615
Due to related party (Note 8)	-	72,676
	<u>2,383,163</u>	<u>2,627,049</u>
NET DEBT	<u>(381,250)</u>	<u>(655,409)</u>
NON-FINANCIAL ASSETS		
Prepaid expenses	45,638	-
Tangible capital assets (Notes 1, 4 and 9)	<u>13,350,586</u>	<u>9,630,808</u>
	<u>13,396,224</u>	<u>9,630,808</u>
ACCUMULATED SURPLUS	<u>\$ 13,014,974</u>	<u>\$ 8,975,399</u>
REPRESENTED BY:		
Operations Fund	\$ 12,584,109	\$ 8,580,645
CMHC Social Housing Fund (Note 10)	<u>430,865</u>	<u>394,754</u>
	<u>\$ 13,014,974</u>	<u>\$ 8,975,399</u>

CONTINGENT LIABILITIES (Note 12)

Approved on behalf of the First Nation:


 Lyneen Harry
 HOH
 Net Income


 David Schmitz
 RHB SCHMITZ de GRACE

RHB SCHMITZ de GRACE
 Chartered Accountants

TL'ETINQOX GOVERNMENT
SUMMARY STATEMENT OF FINANCIAL ACTIVITIES
For the year ended March 31, 2015

	2015 Budget (unaudited) (Note 22)	2015	2014 (restated)
REVENUE			
Aboriginal Affairs and Northern Development Canada (AANDC)	\$ 8,824,289	\$ 8,824,289	\$ 4,720,203
Gas Bar	1,756,052	1,756,052	1,863,530
Health Canada	1,150,557	1,150,557	1,036,928
Province of British Columbia - Forest and Range Opportunities	572,594	572,594	680,173
Other income	368,981	368,981	238,304
Rent	165,755	165,755	208,041
Administrative fees	158,947	158,843	575,401
Province of British Columbia	121,270	121,270	83,242
First Nations Education Steering Committee (FNESC)	109,221	109,221	190,139
Forgiveness of advances from related parties	80,148	80,148	-
Cariboo Chilcotin Aboriginal Training Employment Centre (CCATEC)	31,034	31,034	16,328
First Nations Health Authority (FNHA)	30,000	30,000	-
Canadian Mortgage and Housing Corporation	4,331	4,331	4,512
BC Hydro	4,000	4,000	8,105
First People's Heritage, Language and Culture Council	2,594	2,594	20,000
	<u>13,379,773</u>	<u>13,379,669</u>	<u>9,644,906</u>
EXPENSES			
Operating expenses (Schedule)	8,190,973	8,190,973	9,532,786
Amortization of tangible capital assets	499,034	499,034	519,871
	<u>8,690,007</u>	<u>8,690,007</u>	<u>10,052,657</u>
EXCESS EXPENSES BEFORE OTHER ITEMS	4,689,766	4,689,662	(407,751)
OTHER ITEMS			
Trust income (Note 18)	6,242	6,242	7,625
Equity income from Klatassine Resources Ltd.	66,083	66,083	111,382
Equity income from Dechen Enterprises	108,096	108,096	-
Provision for advances made to Riverwest Forest Products Ltd. (Note 5)	(551,989)	(551,989)	-
Federal government funding adjustments (Note 19)	(278,519)	(278,519)	-
	<u>(650,087)</u>	<u>(650,087)</u>	<u>119,007</u>
ANNUAL SURPLUS (DEFICIT)	4,039,575	4,039,575	(288,744)
ACCUMULATED SURPLUS AT BEGINNING OF THE YEAR			
As previously reported	8,975,399	8,975,399	9,264,143
Prior period adjustment (Note 24)	111,382	111,382	-
As restated	<u>9,086,781</u>	<u>9,086,781</u>	<u>9,264,143</u>
ACCUMULATED SURPLUS AT END OF THE YEAR	<u>\$ 13,014,974</u>	<u>\$ 13,014,974</u>	<u>\$ 8,975,399</u>

RHB SCHMITZ de GRACE
Chartered Accountants

TL'ETINQOX GOVERNMENT
SUMMARY STATEMENT OF CHANGES IN NET DEBT
For the year ended March 31, 2015

	2015 Budget (unaudited) (Note 22)	2015	2014 (restated)
ANNUAL SURPLUS (DEFICIT)	\$ 4,039,575	\$ 4,039,575	\$ (288,744)
TANGIBLE CAPITAL ASSETS			
Acquisition	(4,223,018)	(4,223,018)	-
Amortization	499,034	499,034	519,871
Proceeds from disposal	2,019	2,019	-
Loss on disposal	2,187	2,187	-
	<u>(3,719,778)</u>	<u>(3,719,778)</u>	<u>519,871</u>
NON-FINANCIAL ASSETS			
Use (acquisition) of prepaid expenses	(45,638)	(45,638)	67,798
DECREASE IN NET DEBT	274,159	274,159	298,925
NET DEBT AT BEGINNING OF THE YEAR			
As previously reported	(766,791)	(766,791)	(954,334)
Prior period adjustment (Note 24)	111,382	111,382	-
	<u>(655,409)</u>	<u>(655,409)</u>	<u>(954,334)</u>
NET DEBT AT END OF THE YEAR	\$ (381,250)	\$ (381,250)	\$ (655,409)

RHB SCHMITZ de GRACE
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TL'ETINQOX GOVERNMENT

SUMMARY STATEMENT OF CASH FLOWS

For the year ended March 31, 2015

	<u>2015</u>	<u>2014</u> (restated)
OPERATING ACTIVITIES		
Annual surplus (deficit)	\$ 4,039,575	\$ (288,744)
Items not involving cash:		
Trust income	(6,242)	(7,625)
Provision for advances made to Riverwest Forest Products Ltd.	551,989	-
Equity income from Klatassine Resources Ltd.	(66,083)	(111,382)
Equity income from Dechen Enterprises	(108,096)	-
Loss on disposal of tangible capital assets	2,187	-
Amortization of tangible capital assets	<u>499,034</u>	<u>519,871</u>
	4,912,364	112,120
Changes in non-cash working capital items:		
Accounts receivable	958,929	(389,887)
Inventory	17,118	8,625
Prepaid expenses	(45,638)	67,799
Accounts payable and accrued liabilities	210,920	550,611
Due from (to) related party	<u>(120,053)</u>	<u>33,000</u>
Cash from operations	<u>5,933,640</u>	<u>382,268</u>
CAPITAL ACTIVITIES		
Proceeds from disposal of tangible capital assets	2,019	-
Acquisition of tangible capital assets	<u>(4,223,018)</u>	<u>-</u>
	<u>(4,220,999)</u>	<u>-</u>
FINANCING ACTIVITIES		
Repayment of long-term debt, net	<u>(109,514)</u>	<u>(93,616)</u>
INCREASE IN CASH DURING THE YEAR	1,603,127	288,652
CASH (DEFICIENCY) AT BEGINNING OF THE YEAR	(272,615)	(561,267)
CASH (DEFICIENCY) AT END OF THE YEAR	\$ 1,330,512	\$ (272,615)

RHB SCHMITZ de GRACE
Chartered Accountants

TL'ETINQOX GOVERNMENT
NOTES TO THE SUMMARY FINANCIAL STATEMENTS

March 31, 2015

1. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES

These summary financial statements have been prepared in accordance with Canadian generally accepted accounting principles for government entities, as defined in the CICA Public Sector Accounting and Auditing Handbook, which encompasses the following principles:

Reporting Entity and Principles of Financial Reporting

Tl'etinqox Government (the "Government") reporting entity includes Tl'etinqox Government and all related entities which are accountable to the Government and are either owned or controlled by the Government.

These financial statements summarize the assets, liabilities, revenue, expenses and excess expenses for the following funds:

- Operations Fund
- CMHC Social Housing Fund

Interfund revenues, expense, assets and liabilities have been eliminated.

Investments in Government Business Entities

Incorporated business entities which Tl'etinqox Government does not significantly influence are accounted for in the summary financial statements using the cost method. This category is comprised of the investment in River West Forest Products Ltd.

Incorporated business entities, which are owned and significantly influenced by Tl'etinqox Government and which are not dependent on the Government for their continuing operations, are accounted for in the summary financial statements using the modified equity method. This category is comprised of the investment in Klatassine Resources Ltd.

Government partnerships, in which Tl'etinqox Government has an ownership interest, are accounted for in the summary financial statements using the modified equity method. This category is comprised of the investment in Dechen Enterprises.

Inventory

Inventory is valued at the lower of cost and net realizable value. Cost is measured using the average weighted cost method.

Revenue Recognition

Revenue and expenditures are recorded using the accrual basis of accounting. Revenue is recognized in the period in which the transactions or events occurred that gave rise to the revenue. Gains are recognized when realized. Items not practically measurable until cash is received are accounted for at that time.

TL'ETINQOX GOVERNMENT
NOTES TO THE SUMMARY FINANCIAL STATEMENTS

March 31, 2015

1. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES, continued

Home Improvement Loans

Home improvement loans on the New On Reserve Housing Approach Fund are expensed as repairs or improvement costs as incurred. The receipt of loan payments are recorded as revenue in the New On Reserve Housing Approach Fund as received.

Tangible Capital Assets and Amortization

Tangible capital assets are recorded at cost less accumulated amortization. Cost includes all costs directly attributable to acquisition or construction of the tangible capital asset including transportation costs, installation costs, design and engineering fees and site preparation costs. Contributed tangible capital assets are recorded at fair value at the time of donation, with a corresponding amount recorded as revenue. Amortization is recorded using the declining balance method at rates designed to amortize the cost of the tangible capital assets over their estimated useful lives. The annual rates are as follows:

Buildings and infrastructure	4% - 5%
Furniture and equipment	20% - 30%
Automotive	30%
Computers	100%

Amortization – CMHC Social Housing

CMHC Social Housing assets acquired under CMHC sponsored housing programs are amortized at a rate equivalent to the annual principal reduction in related long-term debt, as required for CMHC reporting purposes.

Financial Instruments

Measurement of financial instruments

The Government initially measures its financial assets and liabilities at fair value, except for certain related party transactions that are measured at the carrying amount or exchange amount, as appropriate.

The Government subsequently measures all its financial assets and financial liabilities at cost or amortized cost, except for investments in equity instruments that are quoted in an active market, which are measured at fair value. Changes in fair value of these financial instruments are recognized in net income.

TL'ETINQOX GOVERNMENT
NOTES TO THE SUMMARY FINANCIAL STATEMENTS

March 31, 2015

1. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES, continued

Financial assets measured at amortized cost include accounts receivable, due from related party and trust assets.

The Government has designated investments in Government Business Entities to be measured at fair value.

Financial liabilities measured at amortized cost include bank indebtedness (both restricted and unrestricted), accounts payable and accrued liabilities, due to related party and long-term debt.

Impairment

Financial assets measured at cost are tested for impairment when there are indicators of impairment. The amount of the write-down is recognized in net income. The previously recognized impairment loss may be reversed to the extent of the improvement, directly or by adjusting the allowance account, provided it is no greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in net income.

Transaction costs

The Government's transaction costs related to financial instruments that will be subsequently measured at fair value are recognized in net income in the period occurred. The carrying amount of the financial instruments that will not be subsequently measured at fair value is adjusted for transaction costs directly attributable to the origination, issuance or assumption of these instruments.

Measurement Uncertainty

The preparation of 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 disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the year. Actual results could differ from management's best estimates as additional information becomes available in the future. Significant estimates include useful life of tangible capital assets, allowance for doubtful accounts, and allowance for advances for investments and advances.

Recoveries of Funding and Agency Reimbursements

Funding received from federal government sources in the form of conditional transfer payments are subject to recovery by the Crown. The Crown may also reimburse expenditures upon determining adherence to the terms and conditions of payment for a specific purpose. Recoveries and reimbursements are accounted for in the period they are recovered or received.

TL'ETINQOX GOVERNMENT
NOTES TO THE SUMMARY FINANCIAL STATEMENTS

March 31, 2015

2. ACCOUNTS RECEIVABLE

	2015	2014 (restated)
AANDC	\$ 112,510	\$ 862,952
Trade	47,314	282,201
Insurance claim	16,970	-
Goods and services tax (GST)	<u>11,915</u>	<u>2,485</u>
	<u>\$ 188,709</u>	<u>\$ 1,147,638</u>

3. RESTRICTED CASH AND REPLACEMENT RESERVE

Under the terms of an operating agreement with CMHC, the Replacement Reserve account had to be funded and maintained in accordance with the agreement. As the CMHC mortgage (see Note 8) was repaid in full during the year, the Replacement Reserve is now unrestricted and can be spent at the discretion of the Government's management.

4. TANGIBLE CAPITAL ASSETS

	2015				
	Cost	Additions	Disposals	Accumulated Amortization	Net Book Value
Automotive equipment	\$ 1,385,686	76,705	66,953	\$ 1,249,186	\$ 146,252
Buildings and infrastructure	13,610,234	4,101,951	-	5,127,183	12,585,002
Furniture and fixtures	<u>1,111,111</u>	<u>34,062</u>	<u>-</u>	<u>970,022</u>	<u>175,151</u>
	<u>16,107,031</u>	<u>4,212,718</u>	<u>66,953</u>	<u>7,346,391</u>	<u>12,906,405</u>
CMHC Social Housing	2,857,376	-	-	2,561,441	295,935
Tl'etinqox Trading					
Building	238,788	-	-	127,365	111,423
Equipment	<u>184,673</u>	<u>10,301</u>	<u>-</u>	<u>158,151</u>	<u>36,823</u>
	<u>423,461</u>	<u>10,301</u>	<u>-</u>	<u>285,516</u>	<u>148,246</u>
	<u>\$ 19,387,868</u>	<u>\$ 4,223,019</u>	<u>\$ 66,953</u>	<u>\$ 10,193,348</u>	<u>\$ 13,350,586</u>

Tangible capital assets include construction in progress for the new school in the amount of \$4,097,152 (2014 - \$nil) for which no amortization was recorded.

TL'ETINQOX GOVERNMENT
NOTES TO THE SUMMARY FINANCIAL STATEMENTS

March 31, 2015

4. TANGIBLE CAPITAL ASSETS, continued

	2014 (restated)				Net Book Value
	Cost	Additions	Disposals	Accumulated Amortization	
Automotive equipment	\$ 1,385,686	-	-	\$ 1,265,689	\$ 119,997
Buildings and infrastructure	13,610,234	-	-	4,773,673	8,836,561
Furniture and fixtures	1,111,111	-	-	905,453	205,658
	<u>16,107,031</u>	<u>-</u>	<u>-</u>	<u>6,944,815</u>	<u>9,162,216</u>
CMHC Social Housing	2,857,376	-	-	2,543,162	314,214
Tl'etinqox Trading					
Building	238,788	-	-	122,723	116,065
Equipment	184,673	-	-	146,360	38,313
	<u>423,461</u>	<u>-</u>	<u>-</u>	<u>269,083</u>	<u>154,378</u>
	<u><u>\$ 19,387,868</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 9,757,060</u></u>	<u><u>\$ 9,630,808</u></u>

5. INVESTMENTS AND ADVANCES

	2015	2014 (restated)
River West Forest Products Ltd. (34%)		
- cost	\$ 1	\$ 1
- advances	551,989	551,989
- allowance for advances	<u>(551,989)</u>	<u>-</u>
	<u>1</u>	<u>551,990</u>
Modified Equity Method		
Dechen Enterprises (50%)		
- equity	<u>108,095</u>	<u>-</u>
Klastassine Resources Ltd. (100%)		
- shares	1	1
- equity	177,465	111,382
	<u>\$ 285,561</u>	<u>\$ 663,372</u>

All advances made to the 100% owned subsidiaries have been allowed for as collectability is uncertain. Shares are held in trust on behalf of the membership by specific members under a trust agreement.

TL'ETINQOX GOVERNMENT
NOTES TO THE SUMMARY FINANCIAL STATEMENTS

March 31, 2015

6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	<u>2015</u>	<u>2014</u>
Trade	\$ 1,460,231	\$ 1,280,170
AANDC 2013-2014 recoveries	134,491	-
Government remittances payable	22,188	7,859
Wages payable	8,746	121,857
Goods and services tax (GST)	3,342	8,293
	<u><u>\$ 1,628,998</u></u>	<u><u>\$ 1,418,179</u></u>

7. BANK INDEBTEDNESS

The Government has an available operating line at Peace Hills Trust authorized to \$250,000 bearing interest at prime plus 2%. As at March 31, 2015, none of this operating line was being utilized.

The Government has an available operating line at Bank of Montreal authorized to \$500,000 bearing interest at prime plus 2%. As at March 31, 2015, \$344,946 of this operating line was being utilized.

8. DUE FROM (TO) RELATED PARTY

	<u>2015</u>	<u>2014</u>
Dechen Enterprises	\$ 47,377	\$ -
Klatassine Resources Ltd.	-	(72,676)
	<u><u>\$ 47,377</u></u>	<u><u>\$ (72,676)</u></u>

The above advances are unsecured, non-interest bearing with no specific terms of repayment.

TL'ETINQOX GOVERNMENT
NOTES TO THE SUMMARY FINANCIAL STATEMENTS

March 31, 2015

9. LONG-TERM DEBT

	<u>2015</u>	<u>2014</u>
Mortgage repayable in monthly instalments of \$4,195 including interest at 5.5% per annum, secured by a Government of Canada ministerial guarantee, due to renew August 2015	\$ 414,198	\$ 441,436
Mortgage repayable in monthly instalments of \$3,815 including interest at 5.85% per annum, secured by a Government of Canada ministerial guarantee, due to renew December 2019	339,967	365,510
Loan	-	35,161
Mortgage	-	18,279
Ford Credit Canada	-	1,648
Ford Credit Canada	<u>-</u>	<u>1,645</u>
	<u>\$ 754,165</u>	<u>\$ 863,679</u>

Estimated principal repayments due in each of the next five years are as follows:

2016	\$ 54,931
2017	58,128
2018	61,511
2019	65,090
2020	68,880

10. CMHC SOCIAL HOUSING FUND

	<u>2015</u>	<u>2014</u>
Replacement Reserve	\$ 28,804	\$ 26,444
Contributed Surplus	329,078	329,078
Surplus (Excess expenses)	<u>72,983</u>	<u>39,232</u>
	<u>\$ 430,865</u>	<u>\$ 394,754</u>

11. COMMITMENTS

The Government has entered into an operating lease agreement for office equipment requiring annual lease payments of \$19,720.

TL'ETINQOX GOVERNMENT

NOTES TO THE SUMMARY FINANCIAL STATEMENTS

March 31, 2015

12. CONTINGENT LIABILITIES

Recoveries of Government Funding

Under the terms of agreements with AANDC and other government agencies, certain surpluses may be recoverable and if so, repayable to the government. The amount of the liability, if any, of the Government is not determinable at this time.

Solid Waste Landfill

The Government operates a solid waste landfill. The nature of and costs involved in the closure and post-closure of this landfill is yet to be determined, therefore, a reasonable estimate of the costs is unknown at this time. No provision for these costs has been made in these financial statements as management believes all costs associated with the closure of the landfill will be funded by AANDC.

Ministerial Guarantees

The Government's long-term debt is secured by AANDC Ministerial guarantees totaling \$754,165 at March 31, 2015 (2014 - \$876,403). An individual Government member has a loan secured by an AANDC Ministerial guarantee of \$46,287 (2014 - \$51,284).

Liability for Contaminated Sites

The Government owns 34% of River West Forest Products, which is located on private land not owned by the Government. The Government nor any other entity has completed an environmental site assessment, therefore, it is not known if contamination exists that would exceed an environmental standard. Due to the uncertainty of whether any remediation to the site will be required, no liability has been recorded in these financial statements.

13. ECONOMIC DEPENDENCE

The Government received a major portion of its revenues pursuant to a funding arrangement with Aboriginal Affairs and Northern Development Canada (AANDC) and First Nation Health Authority (FNHA).

14. RELATED PARTY TRANSACTIONS

During the year, advances (net) were made to Klatassine Resources Ltd. for \$120,053 (2014 - \$33,000). During the year, the amounts owed from Klatassine Resources Ltd. were forgiven by the Government. In addition, advances (net) were made to Dechen Enterprises in the amount of \$47,377 (2013 - \$nil).

These transactions are in the normal course of business and have been valued at the exchange amount, which is the amount of consideration established by and agreed to by the related parties.

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15. PENSION PLAN

The Government Office has a pension plan through Manulife Financial that is funded 50% by the Government Office and 50% by the employee. The funds are held in a money market fund and were fully funded at the end of the year. Contributions expensed during the year were \$36,602 (2014 - \$33,529).

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, the following reconciliation has been prepared:

AANDC revenue as per summary financial statements	\$ 8,824,289
Recipient total as per 2013/2014 AANDC funding confirmation	<u>8,824,289</u>
Variance	<u>\$ -</u>

17. COMPARATIVE FIGURES

Certain prior year figures, presented for comparative purposes, have been reclassified to conform to the current years financial statement presentation.

18. TRUST ASSETS

The following funds are held on deposit with AANDC for use by the First Nation:

	2015			2014
	Capital	Revenue	Total	Total
Balance at beginning of the year	\$ 69,813	\$ 33,534	\$ 103,347	\$ 95,722
Interest and other	-	6,242	6,242	7,625
Balance at end of the year	\$ 69,813	\$ 39,776	\$ 109,589	\$ 103,347

The Ottawa Trust Accounts arise from monies 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.

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19. FEDERAL GOVERNMENT FUNDING ADJUSTMENTS

	2015	2014
AANDC:		
2011-2012 recoveries	\$ 1,957	\$ -
2012-2013 recoveries	142,071	-
2013-2014 recoveries	<u>134,491</u>	<u>-</u>
	<u>\$ 278,519</u>	<u>\$ -</u>

20. INTANGIBLE ASSETS

In the March 31, 2001 fiscal year, the government office acquired trapping rights for \$12,000.

21. INCOME TAX

Tl'etinqox-T'in Government Office is tax exempt as a public body performing a function of government in Canada under Section 149 (1)(c) of the Income Tax Act.

22. BUDGET

The budget information disclosed has been prepared by management and approved by the Government's Chief and Council. Budget figures have not been subjected to the same auditing procedures applied to the actual financial statement figures and are presented for information purposes only.

23. FINANCIAL INSTRUMENT RISKS

Risks and concentrations

The Government Office is exposed to various risks through its financial instruments, without being exposed to concentrations of risk. The following analysis provides a measure of the company's risk exposure as at March 31, 2014.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Government Office is exposed to this risk mainly in respect of its bank indebtedness, accounts payable and accrued liabilities and long-term debt.