

Consolidated Financial statements of

**Nak'azdli Whut'en**  
**(formerly referred to as Nak'azdli Indian Band)**

March 31, 2017



# NAK'AZDLI WHUT'EN

P.O. Box 1329, Fort St. James, B.C. V0J 1P0

Telephone (250) 996 – 7171

Fax (250) 996 – 8010

## **Nak'azdli Whut'en**

(formerly referred to as Nak'azdli Indian Band)

March 31, 2017

### Table of contents

|   |      |
|---|------|
| Management's responsibility for financial reporting .....   | 1    |
| Independent Auditor's Report .....  | 2-3  |
| Consolidated statement of operations .....  | 4    |
| Consolidated statement of accumulated surplus .....   | 5    |
| Consolidated statement of changes in net financial assets .....                                   | 6    |
| Consolidated statement of financial position .....  | 7    |
| Consolidated statement of cash flows .....  | 8    |
| Notes to the consolidated financial statements .....  | 9-32 |
| Schedule A – Consolidated schedule of revenue, expenditure and surplus (deficit) by segment ..... | 33   |
| Schedule B – Consolidated schedule of tangible capital assets.....                                | 34   |
| Schedule C – Consolidated schedule of other revenue.....  | 35   |



# NAK'AZDLI WHUT'EN

P.O. Box 1329, Fort St. James, B.C. V0J 1P0  
Telephone (250) 996 – 7171  
Fax (250) 996 – 8010

## Management's Responsibility for Financial Reporting

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

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

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

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

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

  
Valerie Pierre  
Controller

  
Aileen Prince  
Band Administrator, Interim

## Independent Auditor's Report

To the Chief and Council and Members of  
Nak'azdli Whut'en

We have audited the accompanying consolidated financial statements of Nak'azdli Whut'en (formerly referred to as Nak'azdli Indian Band), which comprise the consolidated statement of financial position as at March 31, 2017 and the consolidated statements of operations, accumulated surplus, changes in net financial assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

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

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

### Auditor's Responsibility

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

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

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



## Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Nak'azdli Whut'en (formerly referred to as Nak'azdli Indian Band) as at March 31, 2017 and the results of its operations, changes in its net financial assets and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

A handwritten signature in black ink that reads "Deloitte LLP". The signature is written in a cursive, flowing style.

Chartered Professional Accountants

Prince George, British Columbia  
July 12, 2017

# Nak'azdli Whut'en

(formerly referred to as Nak'azdli Indian Band)

Statement of operations

year ended March 31, 2017

|  | Budget             | 2 0 1 7          | 2 0 1 6            |
|--|--------------------|------------------|--------------------|
|  | \$                 | \$               | \$                 |
| <b>Revenue</b>   |                    |                  |                    |
| Indigenous and Northern Affairs Canada                               | 6,550,158          | 7,028,807        | 6,573,162          |
| Grocery store revenues (Sana'aih Market)                             | -                  | 5,802,592        | 5,169,392          |
| Other (Schedule C)   | 801,801            | 4,188,609        | 1,323,281          |
| Gas station revenues (Nahounli Creek Gas Bar)                        | -                  | 2,102,163        | 1,378,834          |
| Province of British Columbia and other government revenue            | 323,812            | 2,394,296        | 896,530            |
| Logging revenues (Nak'al Koh Logging)                                | -                  | 2,009,793        | 2,187,461          |
| First Nations Health Authority                                       | 1,569,449          | 1,582,525        | 1,509,572          |
| Prince George Nechako Aboriginal Employment and Training Association | 652,487            | 514,770          | 606,823            |
| Rental income  | 361,260            | 379,353          | 439,327            |
| Investment income  | -                  | 288,424          | 369,517            |
| Realized gain on disposal of marketable securities                   | -                  | 135,282          | 145,202            |
| Lumber revenues (Tl'oh Forest Products)                              | -                  | 73,937           | 1,017,790          |
| Canada Mortgage and Housing Corporation                              | 41,105             | 50,783           | 50,782             |
| Daycare fees   | 20,000             | 36,916           | 5,405              |
|  | 10,320,072         | 26,588,250       | 21,673,078         |
| <b>Expenses (Note 18)</b>  |                    |                  |                    |
| Band government  | 2,652,154          | 3,421,154        | 2,965,499          |
| Education  | 3,499,207          | 3,245,734        | 2,826,710          |
| Health   | 1,737,774          | 1,710,985        | 1,688,808          |
| Restricted fund - capital  | -                  | 1,647,892        | 1,531,203          |
| Social services  | 2,186,441          | 1,514,804        | 1,944,247          |
| Capital services   | 1,425,197          | 825,030          | 499,212            |
| Other services   | 358,528            | 832,968          | 432,405            |
| Housing  | 138,417            | 400,922          | 1,070,560          |
| Community services   | 621,640            | 439,584          | 549,071            |
| Economic development   | -                  | 274,028          | 529,910            |
| Social housing   | 141,848            | 187,298          | 148,730            |
| Grocery store expenses (Sana'aih Market)                             | -                  | 5,846,836        | 5,421,289          |
| Lumber Mill Expenses (Tl'oh Forest Products)                         | -                  | 239,618          | 1,520,242          |
| Gas station expenses (Nahounli Creek Gas Bar)                        | -                  | 2,218,967        | 1,541,654          |
| Logging expenses   | -                  | 3,323,079        | 2,659,974          |
| Realized loss on disposal of tangible capital assets                 | -                  | 565,011          | 125,967            |
| Equity in loss of incorporated entities and limited partnerships     | -                  | 740,069          | 122,960            |
|  | 12,761,206         | 27,433,979       | 25,578,441         |
| <b>Annual deficit</b>  | <b>(2,441,134)</b> | <b>(845,729)</b> | <b>(3,905,363)</b> |

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

# Nak'azdli Whut'en

(formerly referred to as Nak'azdli Indian Band)

Statement of accumulated surplus  
year ended March 31, 2017

|   | 2 0 1 7           | 2 0 1 6           |
|---|-------------------|-------------------|
|   | \$                | \$                |
| Accumulated surplus, beginning of year            | 41,781,227        | 45,686,590        |
| Annual deficit                                    | (845,729)         | (3,905,363)       |
| <b>Accumulated surplus, end of year (Note 13)</b> | <b>40,935,498</b> | <b>41,781,227</b> |

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

# Nak'azdli Whut'en

(formerly referred to as Nak'azdli Indian Band)

## Statement of changes in net financial assets year ended March 31, 2017

|   | 2017             | 2016               |
|---|------------------|--------------------|
|   | \$               | \$                 |
| <b>Annual deficit</b>                             | <b>(845,729)</b> | <b>(3,905,363)</b> |
| Change in prepaid expenses                        | 77,004           | 4,245              |
| Change in inventories                             | 33,902           | 240,637            |
| Acquisition of tangible capital assets            | (5,064,960)      | (3,411,828)        |
| Amortization of tangible capital assets           | 2,819,274        | 2,881,934          |
| Proceeds from disposal of tangible capital assets | 208,231          | 238,593            |
| Loss on disposal of tangible capital assets       | 565,011          | 125,967            |
| Decrease in net financial assets                  | (2,207,267)      | (3,825,815)        |
| Net financial assets, beginning of year           | 6,701,230        | 10,527,045         |
| <b>Net financial assets, end of year</b>          | <b>4,493,963</b> | <b>6,701,230</b>   |

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

# Nak'azdli Whut'en


(formerly referred to Nak'azdli Indian Band)

Statement of financial position  
as at March 31, 2017

|  | 2017              | 2016              |
|--|-------------------|-------------------|
|  | \$                | \$                |
| <b>Financial assets</b>                  |                   |                   |
| Cash (Note 3)                            | 1,034,713         | 697,250           |
| Marketable securities (Note 4)           | 10,421,684        | 10,121,223        |
| Restricted cash (Note 5)                 | 930,745           | 663,030           |
| Investment - Ottawa Trust                | 516,264           | 516,264           |
| Accounts receivable (Note 6)             | 1,597,648         | 708,388           |
| Timber sale deposits (Note 7)            | 21,725            | 21,725            |
| Investments, loans and advances (Note 8) | 3,552,085         | 4,415,434         |
| Loans receivable (Note 9)                | 569,281           | 398,271           |
|  | <b>18,644,145</b> | <b>17,541,585</b> |
| <b>Financial liabilities</b>             |                   |                   |
| Bank indebtedness (Note 3)               | 2,323,314         | 1,409,518         |
| Accounts payable and accrued liabilities | 2,051,314         | 1,609,990         |
| Damage deposits payable                  | 15,655            | 10,355            |
| Deferred revenue                         | 14,000            | 14,000            |
| Silviculture liability                   | -                 | 18,362            |
| Long-term debt (Note 11)                 | 9,745,899         | 7,778,130         |
|  | <b>14,150,182</b> | <b>10,840,355</b> |
| <b>Net financial assets</b>              | <b>4,493,963</b>  | <b>6,701,230</b>  |
| Commitment (Note 14)                     |                   |                   |
| Contingencies (Note 15)                  |                   |                   |
| <b>Non-financial assets</b>              |                   |                   |
| Inventories                              | 443,345           | 477,247           |
| Prepaid expenses                         | 96,871            | 173,875           |
| Tangible capital assets (Note 12)        | 35,901,319        | 34,428,875        |
| <b>Accumulated surplus (Note 13)</b>     | <b>40,935,498</b> | <b>41,781,227</b> |

On behalf of the Chief and Council

 Member

 Member

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



# Nak'azdli Whut'en

(formerly referred to as Nak'azdli Indian Band)

## Summary statement of cash flows year ended March 31, 2017

|   | 2 0 1 7          | 2 0 1 6        |
|---|------------------|----------------|
|   | \$               | \$             |
| <b>Operating activities</b>                         |                  |                |
| Annual deficit                                      | (845,729)        | (3,905,363)    |
| Items not involving cash                            |                  |                |
| Equity in loss of incorporated entities             | 740,069          | 122,960        |
| Amortization of tangible capital assets             | 2,819,274        | 2,881,934      |
| Realized gains on disposal of marketable securities | (135,282)        | (145,202)      |
| Loss on disposal of tangible capital assets         | 565,011          | 125,967        |
|   | 3,143,343        | (919,704)      |
| Changes in non-cash operating working capital       |                  |                |
| Accounts receivable                                 | (889,260)        | (60,752)       |
| Decrease in inventories                             | 33,902           | 240,637        |
| Timber sale deposit                                 | -                | (28,669)       |
| Prepaid expenses                                    | 77,004           | 40,351         |
| Accounts payable and accrued liabilities            | 441,324          | 308,714        |
| Change in silviculture liability                    | (18,362)         | -              |
| Damage deposits payable                             | 5,300            | (357)          |
|   | 2,793,251        | (419,780)      |
| <b>Financing activities</b>                         |                  |                |
| Increase in bank indebtedness                       | 913,796          | 1,337,858      |
| Repayment of long-term debt                         | (2,256,570)      | (604,234)      |
| Proceeds of long-term debt                          | 4,224,339        | 2,416,165      |
|   | 2,881,565        | 3,149,789      |
| <b>Investing activities</b>                         |                  |                |
| Change in net investments, loans and advances       | 123,280          | 47,796         |
| (Decrease) increase in loans receivable             | (171,010)        | 387,113        |
| Proceeds on disposal of marketable securities       | 1,825,316        | 3,649,459      |
| Acquisition of marketable securities                | (1,990,495)      | (3,519,508)    |
| Increase in restricted cash                         | (267,715)        | (21,415)       |
|   | (480,624)        | 543,445        |
| <b>Capital activities</b>                           |                  |                |
| Acquisition of tangible capital assets              | (5,064,960)      | (3,411,827)    |
| Proceeds from disposal of tangible capital assets   | 208,231          | 238,592        |
|   | (4,856,729)      | (3,173,235)    |
| Increase in cash                                    | 337,463          | 100,219        |
| Cash, beginning of year                             | 697,250          | 597,031        |
| <b>Cash, end of year</b>                            | <b>1,034,713</b> | <b>697,250</b> |

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

# Nak'azdli Whut'en

(formerly referred to as Nak'azdli Indian Band)

Notes to the consolidated financial statements

March 31, 2017

---

## 1. Basis of presentation and significant accounting policies

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

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

### (a) Fund accounting

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

The Band maintains the following funds:

- The Operating Fund, which reports the general activities of the Band administration.
- The Ottawa Trust Fund, which reports on trust funds owned by the Band and held in trust in the Consolidated Revenue Fund of the Government of Canada. The management of these funds is primarily governed by Sections 63 to 69 of the Indian Act.
- The Canada Mortgage and Housing Corporation ("CMHC") Social Housing Fund, which reports the CMHC funded social housing operations of the Band.
- The Treaty Fund, which reports the Band's treaty activities.
- The Enterprise Fund, which reports the Band's investments in commercial enterprises, including incorporated and unincorporated businesses, as well as investments in related entities.

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

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

Controlled entities consolidated in the financial statements include:

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

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

Government partnerships proportionately consolidated in the financial statements include:

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

# Nak'azdli Whut'en

(formerly referred to as Nak'azdli Indian Band)

Notes to the consolidated financial statements

March 31, 2017

---

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

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

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

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

#### Government business enterprises

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

#### Government business partnerships

- N & T Lakes Contracting Ltd. (50% owned)
- NTT Holdings Ltd. (33.3% owned)
- FNA Resources Ltd. (50% owned)
- Shas Resources Limited Partnership (12.5% owned)

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

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

### (c) Non-financial assets

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



# Nak'azdli Whut'en

(formerly referred to as Nak'azdli Indian Band)

Notes to the consolidated financial statements

March 31, 2017

---

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

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

#### Tangible capital assets

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

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

Amortization is recorded in the consolidated financial statements as follows:

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

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

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

### (e) Financial instruments

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

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

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

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

# Nak'azdli Whut'en

(formerly referred to as Nak'azdli Indian Band)

Notes to the consolidated financial statements

March 31, 2017

---

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

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

value of the financial asset is reduced to the highest of the present value of the expected cash flows, the amount that could be realized from selling the financial asset or the amount the Band expects to realize by exercising its right to any collateral. If events and circumstances reverse in a future year, an impairment loss will be reversed to the extent of the improvement, not exceeding the initial carrying value.

### (f) *Inventories*

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

### (g) *Revenue recognition*

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

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

Revenue from natural resource contracts is recognized under the terms of the associated agreements, once the agreement is authorized by the contracting parties, the funds to be received can be reasonably estimated, and collection of the revenue is probable.

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

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

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

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

### (h) *Income tax status*

Income earned by the Band and its consolidated and/or proportionately consolidated subsidiaries/partnerships are exempt from income taxes under Income Tax Act sections 149(1) (c) and (d.5). The exception to this is the entity "Nahounli Creek Gas Bar Ltd." which is located outside of the municipal boundary and is subject to corporate income taxes at a rate of 13.5% on any taxable income earned. This entity has incurred losses to date of \$490,983. No benefit has been recognized in the financial statements in relation to these losses.



# Nak'azdli Whut'en

(formerly referred to as Nak'azdli Indian Band)

Notes to the consolidated financial statements

March 31, 2017

---

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

### (i) Use of estimates

The preparation of consolidated financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Significant items subject to such estimates and assumptions include the useful lives of tangible capital assets and valuation allowances for accounts receivable and investments, loans and advances. Actual results could differ from those estimates.

### (j) Contaminated sites

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

## 2. Economic dependence

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

## 3. Cash (bank indebtedness)

Cash (bank indebtedness) is comprised of the following:

|   | 2017               | 2016               |
|---|--------------------|--------------------|
|   | \$                 | \$                 |
| <b>Cash</b>   |                    |                    |
| Cash held in marketable securities brokerage accounts       | -                  | 461,645            |
| Cash - Band   | 220,985            | 95,076             |
| Cash - Nahounli Creek Gas Bar Ltd.                          | 249,840            | 37,824             |
| Cash - Na'azdli Development Corporation                     | 57,195             | 19,135             |
| Cash - Tl'oh Forest Products Limited Partnership            | 291,878            | 45,928             |
| Cash - Ta Da Chun Timber Limited Partnership                | 87,694             | 19,682             |
| Cash - Sana'aih Market Limited Partnership                  | 127,121            | 17,960             |
|   | <b>1,034,713</b>   | <b>697,250</b>     |
| <b>Bank indebtedness</b>                                    |                    |                    |
| Bank indebtedness - Nak'al Koh Logging                      | (55,812)           | (11,775)           |
| Margin - marketable securities brokerage account            | (510,099)          | -                  |
| Balance in bank before cheques issued in excess of deposits | (1,511,580)        | (1,187,407)        |
| Cheques issued in excess of funds on deposit                | (245,823)          | (210,336)          |
|   | <b>(2,323,314)</b> | <b>(1,409,518)</b> |

# Nak'azdli Whut'en

(formerly referred to as Nak'azdli Indian Band)

Notes to the consolidated financial statements

March 31, 2017

## 3. Cash (bank indebtedness) (continued)

The Band has established a revolving demand line of credit at CIBC bearing interest at prime plus 0.75% per annum (3.45% at March 31, 2017) in the amount of \$1,500,000 of which \$1,500,000 (2016 - \$1,394,742) was drawn on this line of credit at year end. The line of credit is secured by hypothecation of marketable securities portfolio held at CIBC.

## 4. Marketable securities

Marketable securities are comprised of the following:

|   | 2 0 1 7    | 2 0 1 6    |
|---|------------|------------|
|   | \$         | \$         |
| Band Operating Fund                         |            |            |
| BC First Nations Leadership Council deposit | 15,000     | 15,000     |
| CIBC portfolio investments                  | 10,406,684 | 10,106,223 |
|   | 10,421,684 | 10,121,223 |

Portfolio investments with a cost of \$1,371,158 (2016 - \$1,243,106) have been placed in hypothecation as security for debt held by a related party, Sana'aih Market LLP.

The marketable securities noted above are measured at amortized cost less an allowance for other than temporary impairment. The fair market value of the securities above was \$11,744,586 (2016 - \$10,632,723) as at March 31, 2017.

## 5. Restricted cash

|   | 2 0 1 7 | 2 0 1 6 |
|---|---------|---------|
|   | \$      | \$      |
| Operating Fund                                  |         |         |
| Ministry of Forests woodlot licence deposit (a) | 5,046   | 5,046   |
| Peace Hills Trust GIC                           | -       | 14,604  |
|   | 5,046   | 19,650  |
| Ottawa Trust Fund                               |         |         |
| Ottawa Trust Funds (b)                          | 440,050 | 417,722 |
| Nak'azdli Whut'en Trust                         |         |         |
| Cash (c)  | 260,099 | -       |
| CMHC Social Housing Fund                        |         |         |
| Social Housing Replacement Reserve (d)          | 189,672 | 189,672 |
| Ta Da Chun Timber Limited Partnership           |         |         |
| Ministry of Forest woodlot licence deposit (a)  | 35,878  | 35,986  |
|   | 930,745 | 663,030 |

The funds are restricted for the following purposes:

- (a) A term deposit assigned to the Ministry of Forests on behalf of NDC and Ta Da Chun Timber Limited Partnership, in support of its woodlot licenses.

# Nak'azdli Whut'en

(formerly referred to as Nak'azdli Indian Band)

Notes to the consolidated financial statements

March 31, 2017

## 5. Restricted cash (continued)

- (b) Ottawa Trust Funds on deposit with Indigenous and Northern Affairs Canada arise from monies derived from capital or revenue sources as outlined in Section 62 of the Indian Act.
- (c) Nak'azdli Whut'en Trust Funds – capital account – are restricted until such time that the balance in the Trust Capital Fund reaches a value of \$25,000,000 (2015 equivalent dollars) adjusted annually for inflation as measured by the CPI Index for Canada except for authorized expenses or trust development expenses.
- (d) Social Housing Replacement Reserve funds can only be utilized under the terms of the respective Canada Mortgage and Housing Corporation agreements (see Note 10).

## 6. Accounts receivable

Accounts receivable are summarized as follows:

|   | 2 0 1 6   | 2 0 1 6   |
|---|-----------|-----------|
|   | \$        | \$        |
| Operating Fund  |           |           |
| Indigenous and Northern Affairs Canada                        | 182,847   | 16,461    |
| Canada Mortgage and Housing Corporation                       | 4,232     | 4,232     |
| Other   | 697,295   | 504,762   |
| Band owned rental housing                                     | 569,965   | 671,955   |
| Less: allowance for doubtful accounts                         | (435,306) | (628,251) |
|   | 1,019,033 | 569,159   |
| CMHC Social Housing Fund                                      |           |           |
| Band member housing   | 121,207   | 121,676   |
| Less: allowance for doubtful accounts                         | (54,690)  | (79,103)  |
|   | 66,517    | 42,573    |
| Nak'azdli Development Corporation - trade receivables         | 47,813    | 1,462     |
| Nahounli Creek Gas Bar Ltd. - trade receivables               | 106,239   | 53,544    |
| Nak'al Koh Logging Ltd. - trade receivables                   | 318,785   | 9,726     |
| Sana'aih Market Limited Partnership - trade receivables       | 29,632    | 20,647    |
| Tl'oh Forest Products Limited Partnership - trade receivables | 9,629     | 11,277    |
|   | 512,098   | 96,656    |
|   | 1,597,648 | 708,388   |

## 7. Timber sale deposits

Pursuant to various timber sale licenses, the Band is required to maintain deposits in the form of cash or negotiable securities acceptable to the Ministry of Forests, Lands and Natural Resource Operations ("Ministry"). The Band has provided deposits in the amount of \$21,725 (2016 - \$21,725) to the Ministry in satisfaction of this requirement.

# Nak'azdli Whut'en

(formerly referred to as Nak'azdli Indian Band)

Notes to the consolidated financial statements

March 31, 2017

---

## 8. Investments, loans and advances

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

|   | 2017             | 2016             |
|---|------------------|------------------|
|   | \$               | \$               |
| Government business enterprises (Note 8(a))                   | 2,278,739        | 2,761,864        |
| Government business partnerships (Note 8(b), (c),(d) and (e)) | (5,098)          | 357,855          |
| Other (Note 8(f))   | 1,278,444        | 1,295,715        |
|   | <u>3,552,085</u> | <u>4,415,434</u> |

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



# Nak'azdli Whut'en

(formerly referred to as Nak'azdli Indian Band)

Notes to the consolidated financial statements

March 31, 2017

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

### (a) Government business enterprises

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

|                                | 2017      | 2016      |
|--------------------------------|-----------|-----------|
|                                | \$        | \$        |
| Carrier Food & Fuel Ltd.       |           |           |
| Investment in shares, at cost  | 2         | 2         |
| Advances                       | 98,040    | 112,040   |
|                                | 98,042    | 112,042   |
| Accumulated equity in earnings | 1,948,192 | 2,631,803 |
|                                | 2,046,234 | 2,743,845 |
| Dh'uli Holdings Ltd.           |           |           |
| Investment in shares, at cost  | 2         | 2         |
| Advances                       | 4,495     | 3,191     |
|                                | 4,497     | 3,193     |
| Accumulated deficit in losses  | (4,495)   | (2,623)   |
|                                | 2         | 570       |
| Nak'al Koh Timber Ltd.         |           |           |
| Investment in shares, at cost  | 1         | 1         |
| (Due to)/Advances              | (81,328)  | (81,328)  |
|                                | (81,327)  | (81,327)  |
| Accumulated equity in earnings | 137,577   | 100,695   |
|                                | 56,250    | 19,368    |
| Nus De Environmental Ltd.      |           |           |
| Investment in shares, at cost  | 1         | -         |
| Advances                       | -         | -         |
|                                | 1         | -         |
| Accumulated equity in earnings | 177,168   | -         |
|                                | 177,169   | -         |
| Balance carried forward        | 2,279,655 | 2,763,783 |



# Nak'azdli Whut'en

(formerly referred to as Nak'azdli Indian Band)

Notes to the consolidated financial statements

March 31, 2017

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

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

|                                      | 2017      | 2016      |
|--------------------------------------|-----------|-----------|
|                                      | \$        | \$        |
| Balance carried forward              | 2,279,655 | 2,763,783 |
| Ranchery Holdings Inc.               |           |           |
| Investment in shares, at cost        | 1         | 1         |
| Advances                             | 5,585     | 2,785     |
|                                      | 5,586     | 2,786     |
| Accumulated equity in losses         | (3,836)   | (2,786)   |
|                                      | 1,750     | -         |
| Uzta Holdings Ltd.                   |           |           |
| Investment in shares, at cost        | 2         | 2         |
| Advances                             | 3,673     | 2,623     |
|                                      | 3,675     | 2,625     |
| Accumulated equity in losses         | (3,675)   | (2,625)   |
|                                      | -         | -         |
| Sana'aih Market General Partner Inc. |           |           |
| Investment in shares, at cost        | 1         | 1         |
| Accumulated equity in losses         | (2)       | (2)       |
|                                      | (1)       | (1)       |
| Ta Da Chun Timber Inc.               |           |           |
| Investment in shares, at cost        | 1         | 1         |
| Accumulated equity in losses         | (440)     | (385)     |
|                                      | (439)     | (384)     |
| Tl'oh Forest Products Inc.           |           |           |
| Investment in shares, at cost        | 10        | 10        |
| Accumulated equity in losses         | (2,236)   | (1,544)   |
|                                      | (2,226)   | (1,534)   |
|                                      | 2,278,739 | 2,761,864 |

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

# Nak'azdli Whut'en

(formerly referred to as Nak'azdli Indian Band)

Notes to the consolidated financial statements

March 31, 2017

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

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

(b) The Band has made an investment in the following entity (2017 – note 1b) (2016 - 51%:)

|                                    | 2 0 1 7 | 2 0 1 6 |
|------------------------------------|---------|---------|
|                                    | \$      | \$      |
| Nus De Environmental Services Ltd. |         |         |
| Investment in shares, at cost      | -       | 1       |
| Advances                           | -       | 106,014 |
| Accumulated equity in earnings     | -       | 258,318 |
|                                    | -       | 364,333 |

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

|                               | 2 0 1 7 | 2 0 1 6 |
|-------------------------------|---------|---------|
|                               | \$      | \$      |
| N & T Lakes Contracting Ltd.  |         |         |
| Investment in shares, at cost | 2       | 2       |
| Advances                      | 1,575   | 1,575   |
| Accumulated equity in losses  | (792)   | (792)   |
|                               | 785     | 785     |

|                               | 2 0 1 7 | 2 0 1 6 |
|-------------------------------|---------|---------|
|                               | \$      | \$      |
| FNA Resources Ltd.            |         |         |
| Investment in shares, at cost | 1       | 1       |
| Advances                      | (100)   | -       |
| Accumulated equity in losses  | (654)   | -       |
|                               | (753)   | 1       |

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

|                               | 2 0 1 7 | 2 0 1 6 |
|-------------------------------|---------|---------|
|                               | \$      | \$      |
| NTT Holdings Ltd.             |         |         |
| Investment in shares, at cost | 1       | 1       |
| Advances                      | 1,221   | 1,221   |
| Accumulated equity in losses  | (129)   | (129)   |
|                               | 1,093   | 1,093   |

# Nak'azdli Whut'en

(formerly referred to as Nak'azdli Indian Band)

Notes to the consolidated financial statements

March 31, 2017

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

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

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

|                   | 2 0 1 7  | 2 0 1 6 |
|-------------------|----------|---------|
|                   | \$       | \$      |
| Shas Resources LP |          |         |
| Contributions     | (13)     | (13)    |
| Advances          | 8,216    | -       |
| Equity in losses  | (14,426) | (8,343) |
|                   | (6,223)  | (8,356) |

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

|  | 2 0 1 7   | 2 0 1 6   |
|--|-----------|-----------|
|  | \$        | \$        |
| Investment in and advances to Jaboon Holdings Inc. |           |           |
| at cost net of allowance                           | 49,213    | 67,434    |
| Investment in Sustut Holding Ltd., at cost         | 29,367    | 29,367    |
| Advances to Sustut Holdings Ltd., at cost          | 333,333   | 333,333   |
| Advance from Nak'azdli Child Development Society   | -         | (950)     |
| Investment in Conifex Inc., at cost                | 866,531   | 866,531   |
|  | 1,278,444 | 1,295,715 |

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

|                           | 2 0 1 7   | 2 0 1 6   |
|---------------------------|-----------|-----------|
|                           | \$        | \$        |
| Balance sheet information |           |           |
| Assets                    | 2,895,799 | 3,057,164 |
| Liabilities               | 646,780   | 401,917   |
| Equity                    | 2,249,019 | 2,655,247 |
| Results of operations     |           |           |
| Revenues                  | 8,793,316 | 9,728,242 |
| Expenses                  | 9,526,648 | 9,702,924 |
| Net (loss) income         | (733,332) | 25,318    |

# Nak'azdli Whut'en

(formerly referred to as Nak'azdli Indian Band)

Notes to the consolidated financial statements

March 31, 2017

---

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

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

|                           | 2 0 1 7 | 2 0 1 6   |
|---------------------------|---------|-----------|
|                           | \$      | \$        |
| Balance sheet information |         |           |
| Assets                    | 276,717 | 829,462   |
| Liabilities               | 282,292 | 328,528   |
| Equity                    | (5,575) | 500,934   |
| Results of operations     |         |           |
| Revenues                  | 439,067 | 582,652   |
| Expenses                  | 443,051 | 805,916   |
| Income taxes              | -       | (46,833)  |
| Net loss                  | (3,984) | (176,431) |

The Band's share of equity earnings from these entities was a loss of \$6,737 for the year ended March 31, 2017 (loss of \$148,278 in 2016).

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

|                           | 2 0 1 7     | 2 0 1 6   |
|---------------------------|-------------|-----------|
|                           | \$          | \$        |
| Balance sheet information |             |           |
| Assets                    | 5,940,100   | 6,764,967 |
| Liabilities               | 6,403,106   | 6,461,612 |
| (Deficit) equity          | (463,006)   | 303,355   |
| Results of operations     |             |           |
| Revenues                  | 6,613,419   | 8,209,244 |
| Expenses                  | 7,911,367   | 8,439,523 |
| Net loss                  | (1,297,948) | (230,279) |

# Nak'azdli Whut'en

(formerly referred to as Nak'azdli Indian Band)

Notes to the consolidated financial statements

March 31, 2017

## 9. Loans receivable

|                                       | 2017        | 2016        |
|---------------------------------------|-------------|-------------|
|                                       | \$          | \$          |
| Operating Fund                        |             |             |
| Band members                          | 84,227      | 132,556     |
| Band member housing loans             | 1,514,523   | 1,440,148   |
|                                       | 1,598,750   | 1,572,704   |
| Less: allowance for doubtful accounts | (1,029,469) | (1,174,433) |
|                                       | 569,281     | 398,271     |

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

## 10. Social housing replacement reserves

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

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

|                                | 2017    | 2016    |
|--------------------------------|---------|---------|
|                                | \$      | \$      |
| Replacement reserves (Note 13) | 210,738 | 217,081 |

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

|                            | 2002/03<br>Housing<br>(6 units) | Sunset<br>Court<br>(11 units) | Four<br>- Plex<br>(4 units) | Total<br>(30 units) |
|----------------------------|---------------------------------|-------------------------------|-----------------------------|---------------------|
|                            | \$                              | \$                            | \$                          | \$                  |
| Balance, beginning of year | 66,333                          | 113,139                       | 37,609                      | 217,081             |
| Expenditures               | (7,275)                         | (15,323)                      | (3,105)                     | (25,703)            |
| Allocation for the year    | 6,000                           | 9,360                         | 4,000                       | 19,360              |
| Balance, end of year       | 65,058                          | 107,176                       | 38,504                      | 210,738             |



# Nak'azdli Whut'en

(formerly referred to as Nak'azdli Indian Band)

Notes to the consolidated financial statements

March 31, 2017

---

## 11. Long-term debt

|  | 2017      | 2016      |
|--|-----------|-----------|
|  | \$        | \$        |
| (1) Operating fund   |           |           |
| CIBC demand instalment loans   |           |           |
| Non-revolving demand instalment loan, at prime rate plus 4.0% per annum, due monthly, matures January 2024   | 295,309   | 338,295   |
| Non-revolving demand instalment loan, at prime rate plus 1.0% per annum, due monthly, matures September 2025 | 111,250   | 127,025   |
| CIBC mortgages   |           |           |
| Mortgage repayable at \$4,926 per month plus interest at 3.0% per annum, matures November 2019               | 157,643   | 217,310   |
| Mortgage repayable at \$829 per month plus interest at 3.0% per annum, matures November 2019                 | 26,536    | 36,580    |
| Mortgage repayable at \$2,591 per month plus interest at 3.0% per annum, matures June 2021                   | 132,143   | 163,651   |
| Mortgage repayable at \$889 per month plus interest at 3.0% per annum, matures May 2021                      | 44,453    | 55,262    |
| Mortgage repayable at \$1,832 per month plus interest at 3.0% per annum, matures October 2021                | 100,769   | 123,067   |
| Mortgage repayable at \$2,011 per month plus interest at 3.0% per annum, matures November 2019               | 116,650   | 141,143   |
| Mortgage repayable at \$1,903 per month plus interest at 3.0% per annum, matures May 2020                    | 140,843   | 164,099   |
| Balance carried forward  | 1,125,596 | 1,366,432 |

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

# Nak'azdli Whut'en

(formerly referred to as Nak'azdli Indian Band)

Notes to the consolidated financial statements

March 31, 2017

## 11. Long-term debt (continued)

|   | 2017      | 2016      |
|---|-----------|-----------|
|   | \$        | \$        |
| Balance brought forward   | 1,125,596 | 1,366,432 |
| Ford Credit - vehicle loan repayable<br>at \$390 per month including interest at 6.29%<br>per annum, matures April 2019         | 9,202     | 13,175    |
| Bank of Montreal - Term loan repayable<br>at \$1,090 per month including interest at 3.45%<br>per annum, matures November 2021  | 56,300    | -         |
| Bank of Montreal - Term loan repayable<br>at \$3,743 per month, including interest at<br>3.45% per annum, matures February 2042 | 748,763   | -         |
| Bank of Montreal - Term loan repayable<br>at \$1,538 per month including interest at 3.45%<br>per annum, matures November 2034  | 96,128    | 110,916   |
| Bank of Montreal - Term loan repayable<br>at \$5,336 per month, including interest at<br>3.45% per annum, matures November 2034 | 823,776   | 856,160   |
| Bank of Montreal - Term loan repayable<br>at \$1,464 per month, including interest at<br>3.45% per annum, matures November 2019 | 44,327    | 59,910    |
| Bank of Montreal - Term loan repayable<br>at \$971 per month, including interest at<br>3.45% per annum, matures February 2023   | 60,693    | 70,029    |
| Bank of Montreal - Term loan repayable<br>at \$3,657 per month, including interest at<br>3.45% per annum, matures March 2035    | 429,080   | 604,515   |
|   | 3,393,865 | 3,081,137 |

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

# Nak'azdli Whut'en

(formerly referred to as Nak'azdli Indian Band)

Notes to the consolidated financial statements

March 31, 2017

## 11. Long-term debt (continued)

|  | 2 0 1 7   | 2 0 1 6   |
|--|-----------|-----------|
|  | \$        | \$        |
| Balance brought forward  | 3,393,365 | 3,081,137 |
| (i) Operating fund   |           |           |
| Bank of Montreal term loan   | -         | 1,235,391 |
| Bank of Montreal term loan   | -         | 402,211   |
| John Deere Finance   | -         | 19,006    |
|  | 3,393,365 | 4,737,745 |
| (ii) CMHC Social Housing Fund  |           |           |
| All Nations Trust  |           |           |
| Mortgage repayable at \$1,839 per month including interest<br>at 1.92 % per annum, matures November 2023 | 143,076   | 162,246   |
| Mortgage repayable at \$3,056 per month including interest<br>at 1.12% per annum, matures December 2025  | 308,627   | 341,696   |
| Mortgage repayable at \$1,307 per month including interest<br>at 1.62% per annum, matures March 2022     | 221,297   | 233,129   |
|  | 673,000   | 737,071   |

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

## (iii) Treaty Fund

### Carrier Sekani Tribal Council

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

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

# Nak'azdli Whut'en

(formerly referred to as Nak'azdli Indian Band)

Notes to the consolidated financial statements

March 31, 2017

## 11. Long-term debt (continued)

|   | 2017      | 2016      |
|---|-----------|-----------|
|   | \$        | \$        |
| (iii) Treaty Fund (continued)   |           |           |
| Carrier Sekani Tribal Council   |           |           |
| (d) the date on which the First Nation Loan Agreement between the Carrier Sekani Tribal Council and Canada is terminated  |           |           |
| (e) the date on which the First Nation Loan Agreement between the Carrier commits an act of bankruptcy  |           |           |
| (f) the date on which the Tribal Council winds up   |           |           |
| (g) the date that the loan becomes repayable by the Carrier Sekani Tribal Council pursuant to the First Nation Loan Agreement between the Tribal Council and Canada   |           |           |
| The Carrier Sekani Tribal Council treaty negotiation loans are non-interest bearing and secured by a first charge against benefits paid by Canada and British Columbia to the Band, or to the Tribal Council on behalf of the Band, under a treaty, unless otherwise set out in the treaty. |           |           |
|   | 1,673,341 | 1,673,341 |
| Indigenous and Northern Affairs Canada  |           |           |
| Specific claim treaty negotiation loan, non-interest bearing, unsecured until loan becomes repayable at earlier of  |           |           |
| (a) March 31, 2018  |           |           |
| (b) the date at which the claim is settled  | 21,474    | 21,474    |
|   | 1,694,815 | 1,694,815 |
| (iv) Sana'aih Market Limited Partnership  |           |           |
| CIBC - non-revolving demand instalment loan - principal and interest blended payments at prime (March 31, 2017 - 2.7% per annum) repayable in 177 regular monthly payments of \$4,470   | 551,376   | 589,553   |
| Hub International - financed insurance premium - including interest at 3.44% per annum repayable in ten monthly payments of \$1,685   | 10,232    | 10,110    |
| RCAP Leasing Inc - financed security system - including interest at 37.5% per annum repayable in monthly payments of \$442  | 1,331     | -         |
| Wiz-Tec Computing Technologies Inc. - financed computer hardware - including interest at 6% per annum repayable in monthly payments of \$158  | 6,943     | 8,837     |
|   | 569,882   | 608,500   |



# Nak'azdli Whut'en

(formerly referred to as Nak'azdli Indian Band)

Notes to the consolidated financial statements

March 31, 2017

## 11. Long-term debt (continued)

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

|  | 2017      | 2016      |
|--|-----------|-----------|
|  | \$        | \$        |
| (v) Nak'al Koh Logging Ltd.                              |           |           |
| BMO - non-revolving demand instalment loan               |           |           |
| interest only payments for 12 months at prime plus 0.75% |           |           |
| per annum (March 31, 2017 - 3.45%)                       | 3,414,337 | -         |
|  | 3,414,337 | -         |
|  | 9,745,899 | 7,778,130 |

Security for the BMO loan comprises a first security interest in all property owned by Nak'al Koh Logging Ltd. and an unlimited guarantee by Nak'azdli Whut'en.

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

|            | Total     |
|------------|-----------|
|            | \$        |
| 2018       | 669,873   |
| 2019       | 1,011,350 |
| 2020       | 1,009,978 |
| 2021       | 973,384   |
| 2022       | 976,507   |
| Thereafter | 5,104,807 |
|            | 9,745,899 |

# Nak'azdli Whut'en

(formerly referred to as Nak'azdli Indian Band)

Notes to the consolidated financial statements

March 31, 2017

## 12. Tangible capital assets

|                                | 2017              | 2016              |
|--------------------------------|-------------------|-------------------|
|                                | \$                | \$                |
| Operating fund                 |                   |                   |
| Land                           | 1,605,243         | 1,605,243         |
| Land improvements              | 340,934           | 406,227           |
| Buildings and improvements     | 23,952,538        | 23,432,481        |
| Housing                        | 3,342,461         | 3,078,991         |
| Vehicles                       | 1,476,748         | 1,764,298         |
| Machinery and equipment        | 3,218,843         | 2,227,474         |
| Sewer and water infrastructure | 1,140,716         | 1,196,505         |
| Road infrastructure            | 823,836           | 717,656           |
|                                | <b>35,901,319</b> | <b>34,428,875</b> |

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

## 13. Accumulated surplus

Accumulated surplus is as follows:

|  | 2017              | 2016              |
|--|-------------------|-------------------|
|  | \$                | \$                |
| Unrestricted funds                                 |                   |                   |
| Operating Fund                                     | 17,133,527        | 38,504,984        |
| CMHC Social Housing Fund                           | (153,488)         | (155,401)         |
| Treaty Fund  | (1,902,900)       | (1,902,900)       |
| Enterprise Fund                                    | (3,862,508)       | (2,698,025)       |
|  | <b>11,214,631</b> | <b>33,748,658</b> |
| Restricted funds                                   |                   |                   |
| Nak'azdli Whu'ten Trust                            | 255,669           | 160,000           |
| Ottawa Trust Fund                                  | 956,312           | 933,984           |
| Operations fund - capital assets                   | 27,625,022        | 5,920,927         |
| Tiny house replacement reserve                     | 324               | -                 |
| CMHC Social Housing Replacement Reserves (Note 10) | 210,738           | 217,081           |
| CMHC Social Housing Fund - capital assets          | 672,802           | 800,577           |
|  | <b>29,720,867</b> | <b>8,032,569</b>  |
| Accumulated Surplus                                | <b>40,935,498</b> | <b>41,781,227</b> |

# Nak'azdli Whut'en

(formerly referred to as Nak'azdli Indian Band)

Notes to the consolidated financial statements

March 31, 2017

---

## 14. Commitments

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

The Band has signed an agreement to borrow up to \$3,500,000 from the Bank of Montreal as a term loan bearing interest of 3.45%. The first advance related to this loan occurred subsequent to year end in the amount of \$1,500,000. The purpose of the loan is to fund road repavements to be undertaken in the 2018 fiscal year.

## 15. Contingent liabilities

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

The Band has guaranteed ministerial housing loans for band members totalling \$681,871 (2016 - \$764,449).

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

The Band is subject to legal proceedings, claims and litigation arising in the ordinary course of operations. While the outcome of these matters is currently not determinable, management does not expect that the ultimate costs to resolve these matters will have a material adverse effect on the Band's financial statements.

## 16. Related party transactions

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

|                                    | 2017   | 2015    |
|------------------------------------|--------|---------|
|                                    | \$     | \$      |
| Carrier Food & Fuel Ltd.           |        |         |
| Goods & services purchased         | 61,695 | 115,453 |
| Nus De Environmental Services Ltd. |        |         |
| Administration and bookkeeping     | 7,391  | -       |

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

At March 31, 2017, there is \$12,892 included in accounts payable owing to Carrier Food & Fuel Ltd. (2016 – nil).

## 17. Income and expenditures by segment

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

*Unrestricted - Operating Fund:*

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

# Nak'azdli Whut'en

(formerly referred to as Nak'azdli Indian Band)

Notes to the consolidated financial statements

March 31, 2017

---

## 17. Income and expenditures by segment (continued)

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

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

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

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

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

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

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

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

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

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

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

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



# Nak'azdli Whut'en

(formerly referred to as Nak'azdli Indian Band)

Notes to the consolidated financial statements

March 31, 2017

## 18. Expenses by object

|  | 2 0 1 7   | 2 0 1 6   |
|--|-----------|-----------|
|  | \$        | \$        |
| Amortization   | 2,819,724 | 2,873,225 |
| Administration   | 19,720    | 23,338    |
| Advertising  | 53,974    | 50,475    |
| Bad debts (recovery) expense                                   | (162,997) | 289,977   |
| BC Investment Agriculture recovery                             | -         | 9,500     |
| Benefits   | 432,279   | 402,390   |
| Cash over/short  | (9,858)   | 19        |
| Consultants  | 914,427   | 751,256   |
| Cost of goods sold   | 7,816,441 | 6,433,968 |
| Donations  | 215,664   | 136,835   |
| Education - tuition and program expenses                       | 2,872,892 | 2,486,383 |
| First Nation Health Authority/Health Canada recovery           | 1         | 9,201     |
| Freight  | 15,056    | 224,198   |
| Health plan - employee benefits                                | 306,376   | 252,537   |
| Honoraria  | 274,876   | 285,282   |
| Housing subsidy  | 240,000   | 30,000    |
| INAC recovery  | 10,082    | 303,382   |
| Insurance  | 174,095   | 410,856   |
| Interest and bank charges                                      | 65,569    | 105,962   |
| Interest on long term debt                                     | 132,496   | 69,056    |
| Legal fees   | 115,857   | 49,969    |
| New Relationship Trust recovery                                | -         | 3,640     |
| Pension  | 147,015   | 135,868   |
| Prince George Native Education and Training Authority recovery | -         | 76,200    |
| Photocopier  | 53,477    | 48,802    |
| Postage and courier  | 12,896    | 4,572     |
| Professional fees  | 265,336   | 240,506   |
| Property taxes   | 20,014    | 13,316    |
| Repairs and maintenance  | 619,635   | 848,808   |
| Replacement reserve  | 60,835    | 29,772    |
| Rent   | 97,521    | 86,732    |
| Sewer  | 117,790   | 211,608   |
| Social assistance and programs                                 | 578,228   | 461,797   |
| Social housing   | 227,347   | 135,595   |
| Subcontracting   | 139,175   | 488,893   |
| Sundry   | 99,448    | 73,447    |
| Supplies   | 295,527   | 957,464   |
| Tech support   | 139,820   | 8,076     |
| Telephone  | 104,312   | 90,989    |
| Training   | 378,320   | 302,660   |
| Transportation   | 50,435    | 34,716    |

# Nak'azdli Whut'en

(formerly referred to as Nak'azdli Indian Band)

Notes to the consolidated financial statements

March 31, 2017

---

**18. Expenses by object (continued)**

|   | <b>2 0 1 7</b>    | <b>2 0 1 6</b> |
|---|-------------------|----------------|
|   | \$                | \$             |
| Travel  | <b>496,892</b>    | 475,321        |
| Utilities   | <b>239,671</b>    | 216,825        |
| Wages   | <b>5,556,764</b>  | 5,149,242      |
| WCB   | <b>28,445</b>     | 27,696         |
| Equity loss of incorporated entities and partnerships | <b>740,069</b>    | 122,960        |
| Loss on disposal of tangible capital assets           | <b>606,603</b>    | 135,127        |
|   | <b>27,382,249</b> | 25,578,441     |

# Nak'azdli Whut'en

(formerly referred to Nak'azdli Indian Band)

## Consolidated schedule of Revenues and Expenditures by Segment - Schedule A year ended March 31, 2017

|   | Accumulated<br>surplus (deficit)<br>2016 | INAC<br>revenue | Health<br>revenue | Other<br>revenue | Total<br>revenue | Expenditure | Surplus<br>(deficit)<br>for the year | Interfund<br>transfers<br>for the year | Accumulated<br>surplus (deficit)<br>2017 |
|---|--|-----------------|-------------------|------------------|------------------|-------------|--------------------------------------|--|--|
|   | \$                                       | \$              | \$                | \$               | \$               | \$          | \$                                   | \$                                     | \$                                       |
| <b>Unrestricted</b>                     |  |                 |                   |                  |                  |             |                                      |  |  |
| Health services                         | 729,911                                  | -               | 1,582,525         | 49,262           | 1,631,787        | 1,710,985   | (79,198)                             | 285,843                                | 936,556                                  |
| Education services                      | 4,321,508                                | 3,242,248       | -                 | 484,505          | 3,726,753        | 3,245,734   | 481,019                              | (4,692,393)                            | 110,134                                  |
| Social services                         | 5,033,899                                | 1,553,379       | -                 | 234,727          | 1,788,106        | 1,514,804   | 273,302                              | (5,300,181)                            | 7,020                                    |
| Community services                      | (959,432)                                | 237,545         | -                 | 43,574           | 281,119          | 439,587     | (158,467)                            | 1,117,900                              | 1  |
| Capital services                        | 13,819,901                               | 845,163         | -                 | 454,976          | 1,300,139        | 825,030     | 475,109                              | (14,445,962)                           | (150,952)                                |
| Band government services                | 15,624,546                               | 913,346         | -                 | 4,116,386        | 5,029,732        | 3,421,154   | 1,608,578                            | (3,343,038)                            | 13,890,086                               |
| Housing services                        | (3,935,974)                              | 28,250          | -                 | 158,216          | 186,466          | 400,922     | (214,456)                            | 4,274,514                              | 124,084                                  |
| Other services                          | 3,870,627                                | 208,876         | -                 | 1,125,543        | 1,334,419        | 832,968     | 501,451                              | (1,609,194)                            | 2,762,884                                |
|   | 38,504,986                               | 7,028,807       | 1,582,525         | 6,667,189        | 15,278,521       | 12,391,183  | 2,887,339                            | (23,712,511)                           | 17,679,813                               |
| Treaty fund                             | (1,902,900)                              | -               | -                 | -                | -                | -           | -                                    | -                                      | (1,902,900)                              |
| Social Housing fund                     | (155,401)                                | -               | -                 | 163,508          | 163,508          | 161,595     | 1,913                                | -                                      | (153,488)                                |
| Enterprise fund                         | (2,698,025)                              | -               | -                 | 4,884            | 4,884            | 998,926     | (994,042)                            | (151,716)                              | (3,843,783)                              |
| Grocery store (Sana'ath Market)         | -  | -               | -                 | 5,802,592        | 5,802,592        | 5,846,836   | (44,244)                             | 44,244                                 | -  |
| Gas Station (Nahounli Creek)            | -  | -               | -                 | 3,102,163        | 3,102,163        | 2,218,967   | 883,196                              | (883,196)                              | -  |
| Lumber Mill (Tl'oh)                     | -  | -               | -                 | 73,937           | 73,937           | 239,618     | (165,681)                            | 165,681                                | -  |
| Logging (Nak'al Koh)                    | -  | -               | -                 | 2,009,793        | 2,009,793        | 3,323,079   | (1,313,286)                          | 1,313,286                              | -  |
|   | 33,748,660                               | 7,028,807       | 1,582,525         | 17,824,066       | 26,435,398       | 25,180,204  | 1,255,195                            | (23,224,212)                           | 11,779,642                               |
| <b>Restricted</b>                       |  |                 |                   |                  |                  |             |                                      |  |  |
| Ottawa Trust Fund                       | 933,984                                  | -               | -                 | 22,328           | 22,328           | -           | 22,328                               | -                                      | 956,312                                  |
| Nak'azdli Whuten Trust                  | 160,000                                  | -               | -                 | 110,840          | 110,840          | 15,171      | 95,669                               | -                                      | 255,669                                  |
| Tiny homes reserve                      | -  | -               | -                 | 324              | 324              | -           | 324                                  | -                                      | 324                                      |
| Operations Fund Capital                 | 5,920,927                                | -               | -                 | -                | -                | 2,212,903   | (2,212,903)                          | 23,351,987                             | 27,060,011                               |
| Social Housing Fund Replacement Reserve | 217,081                                  | -               | -                 | 19,360           | 19,360           | 25,703      | (6,343)                              | -                                      | 210,738                                  |
| Social Housing Fund Capital             | 800,577                                  | -               | -                 | -                | -                | -           | -                                    | (127,775)                              | 672,802                                  |
|   | 8,032,569                                | -               | -                 | 152,852          | 152,852          | 2,253,777   | (2,100,925)                          | 23,224,212                             | 29,155,856                               |
| <b>Total</b>                            | 41,781,228                               | 7,028,807       | 1,582,525         | 17,976,918       | 26,588,250       | 27,433,981  | (845,730)                            | -                                      | 40,935,498                               |

# Nak'azdli Whut'en

(formerly referred to Nak'azdli Indian Band)  
Consolidated schedule of Revenues and Expenditures by Segment - Schedule A  
year ended March 31, 2016

| 2016                                    | Accumulated<br>surplus (deficit)<br>2015 | INAC<br>revenue | Health<br>revenue | Other<br>revenue | Total<br>revenue | Expenditure | Surplus<br>(deficit)<br>for the year | Interfund<br>transfers<br>for the year | Accumulated<br>surplus (deficit)<br>2016 |
|---|--|-----------------|-------------------|------------------|------------------|-------------|--------------------------------------|--|--|
|   | \$                                       | \$              | \$                | \$               | \$               | \$          | \$                                   | \$                                     | \$                                       |
| <b>Unrestricted</b>                     |  |                 |                   |                  |                  |             |                                      |  |  |
| Operating fund                          |  |                 |                   |                  |                  |             |                                      |  |  |
| Health services                         | 789,073                                  | -               | 1,509,572         | 142,441          | 1,652,013        | 1,688,808   | (36,795)                             | (22,369)                               | 729,909                                  |
| Education services                      | 4,491,883                                | 3,123,356       | -                 | 8,193            | 3,131,549        | 2,826,710   | 304,839                              | (475,214)                              | 4,321,508                                |
| Social services                         | 5,700,239                                | 1,538,209       | -                 | 263,552          | 1,801,761        | 1,944,247   | (142,486)                            | (523,854)                              | 5,033,899                                |
| Community services                      | (889,306)                                | 264,550         | -                 | 207,470          | 472,020          | 549,071     | (77,051)                             | 6,925                                  | (959,432)                                |
| Capital services                        | 13,054,881                               | 830,236         | -                 | 384,382          | 1,214,618        | 499,212     | 715,406                              | 49,614                                 | 13,819,901                               |
| Band government services                | 4,473,777                                | 684,808         | -                 | 2,064,747        | 2,749,555        | 2,965,499   | (215,944)                            | 11,366,713                             | 15,624,546                               |
| Housing services                        | (2,944,916)                              | -               | -                 | 238,667          | 238,667          | 1,070,560   | (831,893)                            | (159,165)                              | (3,935,974)                              |
| Other services                          | 3,683,579                                | 132,003         | -                 | 736,557          | 868,560          | 432,405     | 436,155                              | (249,107)                              | 3,870,627                                |
|   | 28,359,213                               | 6,573,162       | 1,509,572         | 4,046,010        | 12,128,743       | 11,976,512  | 152,231                              | 9,993,543                              | 38,504,984                               |
| <b>Treaty fund</b>                      |  |                 |                   |                  |                  |             |                                      |  |  |
| Social Housing fund                     | (1,902,900)                              | -               | -                 | -                | -                | -           | -                                    | -                                      | (1,902,900)                              |
| Enterprise fund                         | (171,357)                                | -               | -                 | 158,666          | 158,666          | 142,710     | 15,956                               | -                                      | (155,401)                                |
| Grocery store (Sana'iah Market)         | 10,887,917                               | -               | -                 | (397,797)        | (397,797)        | 652,870     | (1,050,667)                          | (12,535,278)                           | (2,698,025)                              |
| Gas Station (Nahounli Creek)            | -  | -               | -                 | 5,169,392        | 5,169,392        | 5,421,289   | (251,897)                            | 251,897                                | -  |
| Lumber Mill (T'ioh)                     | -  | -               | -                 | 1,378,834        | 1,378,834        | 1,541,654   | (162,820)                            | 162,820                                | -  |
|   | -  | -               | -                 | 1,017,790        | 1,017,790        | 1,520,242   | (502,452)                            | 502,452                                | -  |
|   | 37,172,872                               | 6,573,162       | 1,509,572         | 13,560,356       | 21,643,089       | 23,915,251  | (2,272,162)                          | (1,152,051)                            | 33,748,658                               |
| <b>Restricted</b>                       |  |                 |                   |                  |                  |             |                                      |  |  |
| Nak'azdli Whut'en Trust                 | -  | -               | -                 | 160,000          | 160,000          | -           | 160,000                              | -                                      | 160,000                                  |
| Ottawa Trust Fund                       | 910,760                                  | -               | -                 | 23,223           | 23,223           | -           | 23,223                               | -                                      | 933,984                                  |
| Operations Fund Capital                 | 6,598,665                                | -               | -                 | (172,619)        | (172,619)        | 1,657,170   | (1,829,789)                          | 1,152,051                              | 5,920,927                                |
| Social Housing Fund replacement reserve | 203,716                                  | -               | -                 | 19,385           | 19,385           | 6,020       | 13,365                               | -                                      | 217,081                                  |
| Social Housing Fund Capital             | 800,577                                  | -               | -                 | -                | -                | -           | -                                    | -                                      | 800,577                                  |
|   | 8,513,718                                | -               | -                 | 29,989           | 29,989           | 1,663,190   | (1,633,201)                          | 1,152,051                              | 8,032,569                                |
| <b>Total</b>                            | 45,686,590                               | 6,573,162       | 1,509,572         | 13,590,345       | 21,673,078       | 25,578,441  | (3,905,363)                          | -                                      | 41,781,227                               |



# Nak'azdli Whut'en

(formerly referred to Nak'azdli Indian Band)  
Consolidated Schedule of Tangible Capital Assets - Schedule B  
year ended March 31, 2017

| 2017  | Land                | Land Improvements | Buildings and Improvements | Housing             | Vehicles            | Machinery and Equipment | Sewer and Water Infrastructure | Road Infrastructure | Total 2017           |
|---|---------------------|-------------------|----------------------------|---------------------|---------------------|-------------------------|--------------------------------|---------------------|----------------------|
| <b>Cost</b>                                 |                     |                   |                            |                     |                     |                         |                                |                     |                      |
| Balance, beginning of the year              | \$ 1,605,243        | \$ 1,278,775      | \$ 32,856,022              | \$ 9,932,671        | \$ 2,789,239        | \$ 5,529,681            | \$ 2,177,446                   | \$ 1,812,181        | \$ 57,981,258        |
| Add: Additions                              | -                   | -                 | 1,666,968                  | 942,182             | 388,792             | 1,861,298               | -                              | 205,720             | 5,064,960            |
| Less: Disposals                             | -                   | (112,870)         | (154,845)                  | (1,116,270)         | (32,043)            | (2,638,195)             | -                              | -                   | (4,054,223)          |
| <b>Balance: end of year</b>                 | <b>\$ 1,605,243</b> | <b>1,165,905</b>  | <b>34,368,145</b>          | <b>9,758,583</b>    | <b>3,145,988</b>    | <b>4,752,784</b>        | <b>2,177,446</b>               | <b>2,017,901</b>    | <b>58,991,995</b>    |
| <b>Accumulated amortization</b>             |                     |                   |                            |                     |                     |                         |                                |                     |                      |
| Balance: beginning of year                  | -                   | 872,548           | 9,423,541                  | 6,853,680           | 1,024,941           | 3,302,207               | 980,941                        | 1,094,525           | 23,552,383           |
| Add: amortization                           | -                   | 19,151            | 1,124,635                  | 507,939             | 664,771             | 347,449                 | 55,789                         | 99,540              | 2,819,274            |
| Less: Accumulated Amortization on disposals | -                   | (66,728)          | (132,569)                  | (945,497)           | (20,472)            | (2,115,715)             | -                              | -                   | (3,280,981)          |
| <b>Balance, end of year</b>                 | <b>-</b>            | <b>824,971</b>    | <b>10,415,607</b>          | <b>6,416,122</b>    | <b>1,669,240</b>    | <b>1,533,941</b>        | <b>1,036,730</b>               | <b>1,194,065</b>    | <b>23,090,676</b>    |
| <b>Net book value</b>                       | <b>\$ 1,605,243</b> | <b>\$ 340,934</b> | <b>\$ 23,952,538</b>       | <b>\$ 3,342,461</b> | <b>\$ 1,476,748</b> | <b>\$ 3,218,843</b>     | <b>\$ 1,140,716</b>            | <b>\$ 823,836</b>   | <b>\$ 35,901,319</b> |
| <b>2016</b>                                 |                     |                   |                            |                     |                     |                         |                                |                     |                      |
| <b>Cost</b>                                 |                     |                   |                            |                     |                     |                         |                                |                     |                      |
| Balance, beginning of the year              | \$ 1,605,243        | \$ 1,256,431      | \$ 32,457,157              | \$ 10,596,521       | \$ 1,009,259        | \$ 4,903,847            | \$ 2,177,446                   | \$ 1,787,330        | \$ 55,793,234        |
| Add: Additions                              | -                   | 22,344            | 398,865                    | 4,500               | 2,085,521           | 875,746                 | -                              | 24,851              | 3,411,827            |
| Less: Disposals                             | -                   | -                 | -                          | (668,350)           | (305,541)           | (249,912)               | -                              | -                   | (1,223,803)          |
| <b>Balance: end of year</b>                 | <b>\$ 1,605,243</b> | <b>1,278,775</b>  | <b>32,856,022</b>          | <b>9,932,671</b>    | <b>2,789,239</b>    | <b>5,529,681</b>        | <b>2,177,446</b>               | <b>1,812,181</b>    | <b>\$ 57,981,258</b> |
| <b>Accumulated amortization</b>             |                     |                   |                            |                     |                     |                         |                                |                     |                      |
| Balance: beginning of year                  | -                   | 842,113           | 8,289,953                  | 6,738,273           | 579,375             | 3,157,823               | 925,152                        | 997,004             | 21,529,693           |
| Add: amortization                           | -                   | 30,435            | 1,133,588                  | 592,885             | 599,833             | 371,883                 | 55,789                         | 97,521              | 2,881,934            |
| Less: Accumulated Amortization on disposals | -                   | -                 | -                          | (477,478)           | (154,267)           | (227,499)               | -                              | -                   | (859,244)            |
| <b>Balance, end of year</b>                 | <b>-</b>            | <b>872,548</b>    | <b>9,423,541</b>           | <b>6,853,680</b>    | <b>1,024,941</b>    | <b>3,302,207</b>        | <b>980,941</b>                 | <b>1,094,525</b>    | <b>23,552,383</b>    |
| <b>Net book value</b>                       | <b>\$ 1,605,243</b> | <b>\$ 406,227</b> | <b>\$ 23,432,481</b>       | <b>\$ 3,078,991</b> | <b>\$ 1,764,298</b> | <b>\$ 2,227,474</b>     | <b>\$ 1,196,505</b>            | <b>\$ 717,656</b>   | <b>\$ 34,428,875</b> |

# Nak'azdli Whut'en

(formerly referred to Nak'azdli Indian Band)

## Schedule C - Consolidated Schedule of Other Revenue

year ended March 31, 2017

|  | 2017      | 2016      |
|--|-----------|-----------|
|  | \$        | \$        |
| Natural resource contracts                 | 1,402,130 | 482,210   |
| Carrier Sekani Tribal Council              | 1,398,112 | 243,065   |
| Contributions                              | 701,000   | 330,000   |
| Miscellaneous                              | 427,815   | 221,981   |
| Federal government                         | 86,661    | 58,350    |
| MMBC/Integris Recycling                    | 65,073    | 15,576    |
| Garbage and snow removal                   | 36,574    | 177,470   |
| First Nations Education Steering Committee | 41,360    | 63,193    |
| Canadian Mental Health Association         | 25,000    | -         |
| Excavator - revenue earned                 | 4,884     | 8,453     |
| Nursing Services - T'latz'en Nation        | -         | 110,748   |
| Insurance proceeds (recovery)              | -         | (1,515)   |
| Logging revenue (recovery)                 | -         | (406,250) |
| New Relationship Trust                     | -         | 20,000    |
|  | 4,188,609 | 1,323,281 |