

**Nekaneet First Nation  
Consolidated Financial Statements  
March 31, 2017**

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*March 31, 2017*

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**Nekaneet First Nation**  
**Management's Responsibility for Financial Reporting**  
*March 31, 2017*

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

Management is also responsible for implementing and maintaining a system of internal controls designed to give reasonable assurance that transactions are appropriately authorized, assets are safeguarded from loss and financial records are properly maintained to provide reliable information for the preparation of consolidated financial statements.

Chief and Council is responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control. The consolidated financial statements have been reviewed and approved by Chief and Council.

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

Chalupiak & Associates, an independent firm of Chartered Professional Accountants, has been engaged to examine the consolidated financial statements in accordance with Canadian generally accepted auditing standards. Their report stating the scope of their examination and opinion on the consolidated financial statements, follows.

Signature on file  
Nekaneet First Nation

November 20, 2017  
Date

**Chalupiak & Associates**  
**Chartered Professional Accountants**  
**3261 Saskatchewan Drive, Regina, SK S4T 6S4**  
**Phone (306) 359-3711 Fax (306) 569-3030**

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**Independent Auditors' Report**

To the Members of  
**Nekaneet First Nation**

We have audited the accompanying consolidated financial statements of Nekaneet First Nation, which comprise the consolidated statement of financial position as at March 31, 2017, and the consolidated statements of operations, accumulated surplus, change in net debt, cash flows and the related schedules 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.

***Auditors' 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 auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the First Nation'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 First Nation's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

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

***Basis for Qualified Opinion***

In some instances we were unable to examine sufficient supporting documentation, with properly authorized signatures, to satisfy ourselves that the expenses were properly authorized, that they were classified properly and charged against the appropriate funding source, and that the purpose of the expenses was recorded properly. We were unable to satisfy ourselves as to the completeness and accuracy of the fixed assets, accounts payable and accounts receivable. As a result, we were unable to determine whether adjustments were required in respect of recorded or unrecorded assets and liabilities and the components making up the Consolidated Statement of Financial Position and the Consolidated Statement of Operations.

***Opinion***

Except as noted in the above paragraph, in our opinion, present fairly, in all material respects, the financial position of the First Nation as at March 31, 2017 and the results of its operations then ended in accordance with Canadian public sector accounting standards.

**Regina, Saskatchewan**  
**November 20, 2017**

*Chalupiak & Associates*  

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**Chartered Professional Accountants**

**Nekaneet First Nation**  
**Consolidated Statement of Financial Position**  
*March 31, 2017*

	2017	2016
<b>Financial Assets</b>		
Restricted cash - capital projects (Note 3)	\$ 809	\$ 24,077
Restricted cash - CMHC reserves (Note 3)	84,443	83,798
Restricted cash - other (Note 3)	-	121
Trust funds held by federal government (Note 3 and 4)	348,229	533,525
Accounts receivable (Notes 5 and 6)	887,715	485,354
Due from New Horizon First Nations Administration (Note 7)	273,623	198,146
Portfolio investment (Note 8)	60,000	60,000
	<hr/> 1,654,819	<hr/> 1,385,021
<b>Liabilities</b>		
Bank indebtedness (Note 3 and 9)	112,072	221,592
Accounts payable (Note 10 and 11)	626,210	498,895
Deferred revenue - unexpended funds - INAC (Note 12)	28,248	92,523
Deferred revenue - unexpended funds - non INAC (Note 13)	74,755	-
Deferred revenue (Note 14)	244,631	27,087
Current portion of long-term debt (Note 15)	606,072	535,162
Current portion of CMHC mortgages (Note 16)	65,152	73,782
Long-term debt (Note 15)	4,181,624	671,300
CMHC mortgages (Note 16)	505,832	543,352
Reserve for losses in related business entity (Note 17)	1,277,254	1,270,878
	<hr/> 7,721,850	<hr/> 3,934,571
<b>Net debt</b>	<hr/> (6,067,031)	<hr/> (2,549,550)
<b>Non-financial Assets</b>		
Capital assets (Note 18)	8,802,471	6,356,415
Prepaid expenses (Note 19)	17,906	2,496
	<hr/> 8,820,377	<hr/> 6,358,911
<b>Accumulated Surplus</b> (Note 20)	<hr/> \$ 2,753,346	<hr/> \$ 3,809,361

**Approved on behalf of the Nekaneet First Nation:**

Signature on file

Signature on file

The accompanying notes are an integral part of the financial statements

**Nekaneet First Nation**  
**Consolidated Statement of Operations**  
*For the year ended March 31, 2017*

	2017 Budget	2017 Actual	2016 Actual
<b>Revenue</b>			
INAC - grant	\$ 206,538	\$ 210,899	\$ 206,538
INAC - fixed	452,951	519,222	479,652
INAC - set	400,976	370,655	284,723
INAC - flexible	-	-	97,281
INAC - current year receivable (payable)	-	1,841	(19,123)
Health Canada	199,182	275,085	245,190
CMHC - subsidy	-	61,207	62,833
Funds held in trust by Federal Government	-	134,705	137,910
FHQ Tribal Council	53,449	190,622	136,367
First Nation GST	375,305	373,196	345,583
First Nations Trust	173,075	163,165	174,214
Specific Claims Settlement Trust	-	334,988	344,887
Keseechiwan Holdings - monetary benefit agreement	-	251,916	144,283
Community Development Corporation	-	28,811	35,477
CMHC rental income	-	30,748	40,848
Interest revenue	-	3	1,804
Other revenue	32,123	484,974	225,253
Administration fees (Note 2.k)	18,214	54,718	48,210
Unexpended funds transferred - prior year	-	92,523	170,385
Deferred revenue - prior	-	27,087	66,822
Deferred revenue - current	-	(244,631)	(27,087)
	1,911,813	3,361,734	3,202,050
<b>Expenses</b>			
Community Development (Schedule 1)	238,625	385,580	204,938
Economic Development (Schedule 2)	33,369	500	21,454
Education (Schedule 3)	322,831	349,558	351,423
Indian Government Support (Schedule 4)	503,000	1,120,196	1,062,261
Social Development (Schedule 5)	292,115	336,854	293,537
Indian Registration (Schedule 6)	5,000	14,910	5,040
Health Services (Schedule 7)	210,952	209,760	257,863
CMHC Operations (Schedule 8)	-	45,326	17,651
Band Programs (Schedule 9)	187,515	1,460,237	879,018
Amortization (Schedule 10)	-	391,821	391,820
	1,793,407	4,314,742	3,485,005
<b>Current deficit before unexpended funds</b>	118,406	(953,008)	(282,957)
<b>Unexpended funds</b>			
Unexpended funds transferred to deferred revenue	-	(103,003)	(92,523)
<b>Current deficit</b>	\$ 118,406	\$ (1,056,011)	\$ (375,480)

The accompanying notes are an integral part of the financial statements

**Nekaneet First Nation**  
**Consolidated Statement of Accumulated Surplus**  
*For the year ended March 31, 2017*

	2017	2016
<b>Surplus at beginning of year</b>	\$ 3,809,360	\$ 4,184,840
<b>Current deficit</b>	(1,056,011)	(375,480)
<b>Surplus at end of year</b>	<b>\$ 2,753,349</b>	<b>\$ 3,809,360</b>

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The accompanying notes are an integral part of the financial statements

**Nekaneet First Nation**  
**Consolidated Statement of Change in Net Debt**  
*For the year ended March 31, 2017*

	2017 Budget	2017 Actual	2016 Actual
<b>Current deficit</b>	\$ 118,406	\$ (1,056,011)	\$ (375,480)
Acquisition of tangible capital assets	-	(2,837,882)	(125,332)
<u>Amortization of tangible capital assets</u>	<u>-</u>	<u>391,822</u>	<u>391,820</u>
	-	(2,446,060)	266,488
Acquisition of prepaid asset	(17,906)	(17,906)	(2,496)
<u>Use of prepaid asset</u>	<u>2,496</u>	<u>2,496</u>	<u>-</u>
	(15,410)	(15,410)	(2,496)
Increase (decrease) in net financial assets	102,996	(3,517,481)	(111,488)
<b>Net debt at beginning of year</b>	<b>(2,549,550)</b>	<b>(2,549,550)</b>	<b>(2,438,062)</b>
<b>Net debt at end of year</b>	<b>\$ (2,446,554)</b>	<b>\$ (6,067,031)</b>	<b>\$ (2,549,550)</b>

The accompanying notes are an integral part of the financial statements

**Nekaneet First Nation**  
**Consolidated Statement of Cash Flows**  
*For the year ended March 31, 2017*

	2017	2016
<b>Cash flows from Operating activities</b>		
Current deficit	\$ (1,056,011)	\$ (375,480)
Items not affecting cash		
Amortization	391,821	391,820
	(664,190)	16,340
Change in non-cash operating working capital		
Accounts receivable	(402,361)	(19,539)
Prepaid expenses	(15,410)	(2,496)
Accounts payable	127,313	126,101
Deferred revenue - unexpended funds - INAC	(64,275)	(64,360)
Deferred revenue - unexpended funds - non INAC	74,755	-
Deferred revenue	217,544	(39,735)
Trust funds held by federal government	185,296	119,089
	(541,328)	135,400
<b>Capital activities</b>		
Capital asset purchases	(2,837,877)	(125,334)
<b>Financing activities</b>		
Due from New Horizon First Nations Administration	(75,477)	(20,000)
CMHC mortgages	(46,150)	(69,939)
Long term debt - proceeds	3,730,986	486,409
Long term debt - repaid	(149,753)	(446,317)
	3,459,606	(49,847)
<b>Investing activities</b>		
Loss (gain) on investments	6,375	45,341
Restricted cash - CMHC reserves	(645)	(1,646)
Restricted cash - other	121	-
	5,851	43,695
<b>Increase in cash and cash equivalents</b>	86,252	3,914
<b>Cash and cash equivalents, beginning of year</b>	(197,515)	(201,429)
<b>Cash and cash equivalents, end of year</b>	\$ (111,263)	\$ (197,515)
<b>Represented by</b>		
Cash	\$ (112,072)	\$ (221,592)
Restricted cash - capital projects	809	24,077
	\$ (111,263)	\$ (197,515)

The accompanying notes are an integral part of the financial statements

**Nekaneet First Nation**  
**Notes to Consolidated Financial Statements**  
*March 31, 2017*

**1. General**

Nekaneet First Nation is an Indian Band subject to the provisions of the Indian Act. These financial statements include Nekaneet First Nation government and all related entities which are accountable to the First Nation and are either owned or controlled by the First Nation.

**2. Basis of presentation and significant accounting policies**

These financial statements are prepared in accordance with Canadian public sector accounting standards for governments as recommended by the Public Sector Accounting Board.

**(a) Reporting entity**

Nekaneet First Nation reporting entity includes the Nekaneet First Nation government and all related entities that are controlled by the First Nation.

**(b) Principles of consolidation**

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

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

Organizations accounted for on a modified equity basis include:  
New Horizon First Nations Administration Inc.

**(c) Asset classification**

Assets are classified as either financial or non-financial. Financial assets are assets that could be used to discharge existing liabilities or to finance future operations. Non-financial assets are acquired, constructed or developed assets that do not provide resources to discharge existing liabilities but are employed to deliver government services, may be consumed in normal operations and are not for resale. Non-financial assets include tangible assets, prepaid expenses and inventory of supplies.

**(d) Net debt or net financial assets**

The financial statements are presented so as to highlight net debt as the measurement of financial position. The net debt or net financial asset is determined by financial assets less liabilities. Net debt or net financial assets, is comprised of two components, non-financial assets and accumulated surplus.

**(e) Cash and cash equivalents**

Cash and cash equivalents include cash on hand, balances with banks net of bank overdrafts and term deposits having a maturity of three months or less at acquisition which are held for the purpose of meeting short-term cash commitments.

**Nekaneet First Nation**  
**Notes to Consolidated Financial Statements**  
March 31, 2017

**2. Basis of presentation and significant accounting policies (continued)**

**(f) Liability for contaminated sites**

A liability for remediation of a contaminated site is recognized at the best estimate of the amounts required to remediate the contaminated site when contamination exceeding an environmental standard exists, the First Nation is either directly responsible or accepts responsibility, it is expected that future economic benefits will be given up, and a reasonable estimate of the amount is determinable. The best estimate of the liability includes all costs directly attributable to remediation activities and is reduced by expected net recoveries based on information available at March 31, 2017.

At each financial reporting date, the First Nation reviews the carrying amount of the liability. Any revisions required to the amount previously recognized is accounted for in the period revisions are made. The First Nation continues to recognize the liability until it's settled or otherwise extinguished. Disbursements made to settle the liability are deducted from the reported liability when they are made.

**(g) Tangible capital assets**

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

Leases that transfer substantially all the benefits and risks of ownership to the lessee are recorded as capital leases. Accordingly, at the inception of the leases, the tangible capital asset and related lease obligations are recorded at an amount equal to the present value of future lease payments discounted at the lower of the interest rate inherent in the lease contracts and Nekaneet First Nation's incremental cost of borrowing.

Amortization is provided for on a straight-line basis over their estimated useful lives. No amortization is recorded in the year of acquisition.

Buildings	25 years Straight line
Automotive equipment	4 years Straight line
Furniture and equipment	5 years Straight line
Infrastructure	40 years Straight line
CMHC houses	40 years Straight line

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

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

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

**Nekaneet First Nation**  
**Notes to Consolidated Financial Statements**  
March 31, 2017

**2. Basis of presentation and significant accounting policies (continued)**

**(h) Portfolio investments**

Portfolio investments are recorded at cost. Portfolio investments are written down where there has been a loss in value that is other than a temporary decline.

**(i) Use of estimates**

The preparation of consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

**(j) Segments**

The First Nation conducts its business through reportable segments. These operating segments are established by senior management to facilitate the achievement of the First Nation's long-term objectives, aid in resource allocation decisions, and to assess operational performance.

For each reported segment, revenues and expenses represent both amounts that are directly attributed to the segment and amounts that are allocated on a reasonable basis. Therefore, certain allocation methodologies are employed in the preparation of segmented financial information.

**(k) Internal charges and transfers**

The central administration office provides services to other program areas. To recognize the cost of these services a corresponding revenue and expense is recorded and referred to as "Administration fees."

**(l) Revenue recognition**

Revenue is recorded in the period specified in the funding agreements entered into with government agencies and other organizations. Funds received in advance of making the related expenses are reflected as deferred revenue in the year of receipt and classified as such in the financial statements. Any funding received pursuant to an agreement that does not have a provision for the deferral of unexpended funds is reported as a repayment of revenue.

**(m) Expense recognition**

Expenses are accounted for in the period the goods or services are acquired and a liability is incurred or transfers are due.

**(n) Comparative figures**

Prior years' comparative amounts have been reclassified, where necessary, to conform to the current year's presentation.

**Nekaneet First Nation**  
**Notes to Consolidated Financial Statements**  
*March 31, 2017*

**3. Cash and cash equivalents**

Under the terms of an agreement with Canada Mortgage and Housing Corporation, Nekaneet First Nation must set aside funds annually for the repair, maintenance and replacement of worn out assets. These funds are to be held in a separate bank account and invested only in accounts or instruments insured by the Canada Deposit Insurance Corporation or as otherwise approved by the Canada Mortgage and Housing Corporation with any interest earned to be credited as revenue to the Replacement and Subsidy Fund.

Cash received to complete capital projects is held in separate bank accounts or guaranteed investment certificates.

Funds held in trust are held by the federal government in trust for the First Nation.

	2017	2016
Unrestricted cash		
Bank indebtedness	\$ (112,072)	\$ (221,592)
Restricted cash - capital projects		
Lagoon project	809	24,077
Restricted cash - CMHC reserves		
Replacement reserve	4,443	3,798
Replacement reserve term deposits	80,000	80,000
	84,443	83,798
Restricted cash - other		
Lawyer's trust - Olive, Waller, Zinkhan & Waller	-	121
Restricted cash - trust funds held by federal government		
Capital	38,564	38,564
Revenue	309,665	494,961
	348,229	533,525
	\$ 321,409	\$ 419,929

**Nekaneet First Nation**  
**Notes to Consolidated Financial Statements**  
*March 31, 2017*

**4. Restricted cash - Trust funds held by federal government**

	2017 Revenue	2017 Capital	2017 Total	2016 Total
Surplus, beginning of year	\$ 494,960	\$ 38,564	\$ 533,524	\$ 395,614
Withdrawals	(320,000)	-	(320,000)	-
Lease revenue	127,646	-	127,646	127,644
Interest earnings	7,059	-	7,059	10,267
<b>Surplus, end of year</b>	<b>\$ 309,665</b>	<b>\$ 38,564</b>	<b>\$ 348,229</b>	<b>\$ 533,525</b>

**5. Accounts receivable**

	2017	2016
<b>Due from members</b>		
Advances	\$ 66,360	\$ 60,308
<b>Due from others</b>		
Nekaneet Treaty Benefits Claims Trust	240,812	-
File Hills Qu'Appelle Tribal Council	33,694	16,586
New Horizon First Nation Administration - funds held in trust	268,308	268,308
BMO	7,849	7,849
	<b>550,663</b>	<b>292,743</b>
<b>Due from government and other government organizations</b>		
INAC	107,720	3,715
Health Canada	23,756	2,336
CMHC	194,340	133,134
First Nation GST	-	31,334
Other	19,084	19,084
	<b>344,900</b>	<b>189,603</b>
<b>Allowance for doubtful accounts</b>	<b>961,923</b>	<b>542,654</b>
	<b>(74,208)</b>	<b>(57,300)</b>
	<b>\$ 887,715</b>	<b>\$ 485,354</b>

**Nekaneet First Nation**  
**Notes to Consolidated Financial Statements**  
*March 31, 2017*

**6. INAC - accounts receivable**

	2017	2016
Basic needs	\$ 10,307	\$ -
BEB	- -	3,715
Institutional Care	132 -	-
Band based capital	97,281 -	-
	<hr/> \$ 107,720	<hr/> \$ 3,715

**7. Due from New Horizon First Nations Administration Inc.**

Transactions with related parties are in the normal course of business and are for fair consideration that is mutually agreed upon by the related parties. Amounts payable and receivable bear no interest and have no fixed terms of repayment.

**8. Portfolio investments**

	2017	2016
Keseechiwan Holdings LP (8.3% interest)	<hr/> \$ 60,000	<hr/> \$ 60,000

**9. Bank indebtedness**

The First Nation has a line of credit with Peace Hills Trust (PHT) of \$50,000 bearing interest at prime plus 2%, any amounts in excess of \$50,000 bear interest at 24%; on March 31, 2017 PHT accounts were overdrawn \$59,723 (2016-\$149,453) and there were cheques issued in excess of deposits totalling \$43,004 (2016-\$81,906).

The First Nation does not have any approved overdraft protection with the Bank of Montreal (BMO), any amounts overdrawn bear interest at 21%; on March 31, 2017 BMO accounts were overdrawn \$9,849 (2016-\$nil) and there were cheques issued in excess of deposits totalling \$255 (2016-\$255).

**Nekaneet First Nation**  
**Notes to Consolidated Financial Statements**  
*March 31, 2017*

**10. Accounts payable**

	2017	2016
Accrued payroll	\$ 13,250	\$ -
<b>Due to others</b>		
Trade payables	583,032	405,493
FHQ	-	30,000
Group pension	4,054	2,635
Group insurance	8,312	-
BMO Trust	-	30,558
	<u>595,398</u>	<u>468,686</u>
<b>Due to government and other government organizations</b>		
INAC	8,598	22,838
Health Canada	6,000	6,000
CRA payroll deductions	2,964	1,371
	<u>17,562</u>	<u>30,209</u>
	<u><u>\$ 626,210</u></u>	<u><u>\$ 498,895</u></u>

**11. INAC payable**

	2017	2016
Special Needs	\$ 2,224	\$ 12,604
Band Employee Benefits - Statutory	5,118	-
Basic Needs	-	10,216
Institutional Care	-	18
Home Care	1,256	-
	<u>\$ 8,598</u>	<u>\$ 22,838</u>

**Nekaneet First Nation**  
**Notes to Consolidated Financial Statements**  
*March 31, 2017*

**12. Deferred revenue - unexpended funds - INAC**

INAC funding agreements stipulate the terms and conditions that apply to situations where revenue received exceeds expenditures. Depending on the funding arrangement the unexpended funds may be retained by the recipient, repaid to INAC, deferred to the following year, or transferred to another INAC program area. Any funding arrangements that have a provision that allows the recipient to retain the excess funds are recorded as surpluses. All other excess funds are recorded as a liability and classified as "Deferred revenue - unexpended funds" on the financial statements.

	2017	2016
Band Based Capital	\$ 28,248	\$ 91,985
Student Transportation	- 538	
	<hr/> \$ 28,248	<hr/> \$ 92,523

**13. Deferred revenue - unexpended funds - non INAC**

	2017	2016
Brighter Futures	\$ 4,158	\$ -
Solvent Abuse	5,345	-
Prenatal Nutrition	3,310	-
Support Services	3,656	-
NNADAP	52,901	-
Medical Transportation	5,385	-
	<hr/> \$ 74,755	<hr/> \$ -

**14. Deferred revenue**

	March 31, 2016	Funding received, 2017	Revenue recognized, 2017	March 31, 2017
<b>Federal government</b>				
Water Treatment Plant	\$ 27,087	\$ -	\$ (23,268)	\$ 3,819
<b>Other</b>				
Nekaneet Treaty Benefits Claims Trust	- 334,989		(94,177)	240,812
	<hr/> \$ 27,087	<hr/> \$ 334,989	<hr/> \$ (117,445)	<hr/> \$ 244,631

**Nekaneet First Nation**  
**Notes to Consolidated Financial Statements**  
*March 31, 2017*

**15. Long-term debt**

	2017	2016
Peace Hills Trust #12 Land Purchase bearing interest at 5% per annum, repayable in monthly payments of \$8,900 including interest, due on demand. The loan is secured by GSA, INAC, FNT & FNGST. The loan matures on December 15, 2017.	\$ -	\$ 179,740
Peace Hills Trust #17 Capital Equipment bearing interest at 7% per annum, repayable in quarterly payments of \$23,650 including interest, due on demand. The loan is secured by GSA, INAC, FNT & FNGST. The loan matures on April 1, 2019.	-	251,087
Peace Hills Trust #18 Overdraft legal fees & cash flow bearing interest at 7.5% per annum, repayable in monthly payments of \$10,373 including interest, due on demand. The loan is secured by GSA, INAC, FNT & FNGST. The loan matures on September 30, 2016.	-	69,999
Peace Hills Trust #21 Rewrite loan & term out O/D bearing interest at 7.5% per annum, repayable in monthly payments of \$3,000 including interest and quarterly principal payments of \$5,480, due on demand. The loan is secured by GSA, INAC, FNT & FNGST. The loan matures on September 01, 2020.	-	214,176
Peace Hills Trust #22 Purchase bus bearing interest at 5% per annum, repayable in monthly payments of \$2,500 including interest, due on demand. The loan is secured by GSA, INAC, FNT & FNGST. The loan matures on November 1, 2018.	-	73,769
Peace Hills Trust #23 Rewrite from loan #19 bearing interest at 7.5% per annum, repayable in quarterly payments of \$8,522 including interest, and annual blended payments of \$150,000 and \$50,000, due on demand. The loan is secured by GSA, INAC, FNT & FNGST. The loan matures on December 16, 2017.	-	417,691
Peace Hills Trust #25 Pow Wow & Operational expenses bearing interest at 7.0% per annum, repayable in monthly interest payments of \$583.33, and a principal payments of \$100,000, due on demand. The loan is secured by GSA, INAC, FNT & FNGST. The loan matures on April 1, 2017.	100,000	-
Peace Hills Trust #26 Christmas Per Capita Distribution bearing interest at 7.0% per annum, repayable in monthly interest payments of \$1,414.58, and a principal payments of \$242,500, due on demand. The loan is secured by GSA, INAC, FNT & FNGST. The loan matures on March 1, 2017.	242,500	-
Peace Hills Trust #27 Rewrite from loan #24 bearing interest at 7.00% per annum, repayable in monthly payments of \$20,000 including interest, due on demand. The loan is secured by GSA, INAC, FNT & FNGST. The loan matures on September 30, 2022.	1,700,000	-

**Nekaneet First Nation**  
**Notes to Consolidated Financial Statements**  
*March 31, 2017*

**15. Long-term debt, continued**

	2017	2016
BMO demand loan non-revolving - Construction of 14 new housing units bearing interest at prime rate plus 2.00% payable monthly after each draw down of loan and principle payment of 137,500 is due annually beginning on March 30, 2017 amortized over 20 years.		
Final payment due March 30, 2036.	2,745,196	-
Current portion	4,787,696	1,206,462
	606,072	535,162
	<hr/>	<hr/>
	\$ 4,181,624	\$ 671,300
	<hr/>	<hr/>

Principal portion of long-term debt due within the next five years:

2018	\$ 606,072
2019	270,544
2020	280,162
2021	290,475
2022 and thereafter	3,340,443
	<hr/>
	\$ 4,787,696
	<hr/>

	2017	2016
Interest expense for the year on long-term debt	\$ 199,557	\$ 87,192
	<hr/>	<hr/>

**16. CMHC mortgages**

	Phase number	Maturity date	Interest rate	Monthly payment	2017	2016
					2017	2016
PHT	5	2017-04-01	2.94%	\$ 730	\$ 1,070	\$ 9,341
Scotia	6	2019-07-01	4.79%	665	36,545	40,622
Scotia	7	2017-06-01	4.99%	394	2,425	5,433
Scotia	8	2018-01-01	3.09%	647	12,615	17,467
Scotia	9	2019-12-01	4.79%	676	23,236	27,808
CMHC	10	2020-09-01	0.94%	1,107	106,916	113,641
CMHC	11	2018-02-01	1.69%	1,342	157,373	164,093
CMHC	12	2020-10-01	1.04%	1,477	230,804	238,729
					<hr/>	<hr/>
Less current portion					570,984	617,134
					65,152	73,782
Total					\$ 505,832	\$ 543,352
					<hr/>	<hr/>

**Nekaneet First Nation**  
**Notes to Consolidated Financial Statements**  
*March 31, 2017*

**17. Reserve for losses in related business entity**

Commercial enterprises are those organizations that meet the definition of government business enterprises as described by the Public Sector Accounting Board. Government business enterprises have the power to contract in their own name, have the financial and operating authority to carry on a business, sell goods and services to customers outside the First Nation government as their principal activity, and that can, in the normal course of their operations, maintain operations and meet liabilities from revenues received from outside the First Nation government.

	2017	2016
<u>New Horizon First Nation Administration Inc.</u>	<u>\$ (1,277,254)</u>	<u>\$ (1,270,878)</u>
	December 31, 2016	December 31, 2015
<u>Cash</u>	<u>\$ -</u>	<u>\$ 1,446</u>
Accounts receivable	9,789	6,415
Prepaid expenses	-	6,942
<u>Fixed assets</u>	<u>208,508</u>	<u>217,703</u>
<u>Total assets</u>	<u>\$ 218,297</u>	<u>\$ 232,506</u>
Bank indebtedness	\$ 6,205	\$ -
Accounts payable	74,981	101,167
Tenant deposits	12,594	12,594
Due to Ottawa Trust Fund	268,308	268,308
Due to related party	244,480	198,146
Long-term debt	886,613	923,169
Deferred revenue	2,370	-
<u>Total liabilities</u>	<u>1,495,551</u>	<u>1,503,384</u>
Contributed surplus	260,596	260,596
<u>Deficit</u>	<u>(1,537,850)</u>	<u>(1,531,474)</u>
<u>Total equity</u>	<u>(1,277,254)</u>	<u>(1,270,878)</u>
<u>Total liabilities and equity</u>	<u>\$ 218,297</u>	<u>\$ 232,506</u>
	December 31, 2016	December 31, 2015
<u>Revenue</u>	<u>\$ 170,826</u>	<u>\$ 154,794</u>
<u>Expenses</u>	<u>177,202</u>	<u>200,135</u>
<u>Net income</u>	<u>\$ (6,376)</u>	<u>\$ (45,341)</u>

**Nekaneet First Nation**  
**Notes to Consolidated Financial Statements**  
*March 31, 2017*

**18. Tangible capital assets**

	Cost	Additions	Accumulated amortization	2017 Net book value
Land	\$ 1,377,971	\$ -	\$ -	\$ 1,377,971
Buildings	6,544,719	-	4,542,592	2,002,127
Automotive equipment	333,427	-	278,209	55,218
Furniture and equipment	501,080	-	461,921	39,159
Infrastructure	2,051,727	-	212,518	1,839,209
CMHC houses	2,379,378	-	1,728,468	650,910
<u>Work in Progress</u>	<u>-</u>	<u>2,837,877</u>	<u>-</u>	<u>2,837,877</u>
<b>Total</b>	<b>\$ 13,188,302</b>	<b>\$ 2,837,877</b>	<b>\$ 7,223,708</b>	<b>\$ 8,802,471</b>

	Cost	Additions	Accumulated amortization	2016 Net book value
Land	\$ 1,377,971	\$ -	\$ -	\$ 1,377,971
Buildings	6,544,719	-	4,320,133	2,224,586
Automotive equipment	251,427	82,000	232,980	100,447
Furniture and equipment	497,481	3,599	407,309	93,771
Infrastructure	2,011,992	39,735	161,078	1,890,649
CMHC houses	2,379,378	-	1,710,387	668,991
<b>Total</b>	<b>\$ 13,062,968</b>	<b>\$ 125,334</b>	<b>\$ 6,831,887</b>	<b>\$ 6,356,415</b>

**19. Prepaid expenses**

	2017	2016
Insurance	\$ 6,598	\$ 2,496
<u>Special needs</u>	<u>11,308</u>	<u>-</u>
	<b>\$ 17,906</b>	<b>\$ 2,496</b>

**Nekaneet First Nation**  
**Notes to Consolidated Financial Statements**  
*March 31, 2017*

**20. Accumulated surplus**

	2017	2016
<b>Restricted</b>		
Invested in tangible capital assets	\$ 5,181,921	\$ 5,233,231
Funds held in trust by federal government	348,229	533,525
CMHC reserves	464,754	435,806
Equity in related entity	<u>(1,277,254)</u>	<u>(1,270,878)</u>
	4,717,650	4,931,684
<b>Unrestricted</b>		
Operating deficit	<u>(1,964,304)</u>	<u>(1,122,325)</u>
	<u><u>\$ 2,753,346</u></u>	<u><u>\$ 3,809,359</u></u>

**21. Revenue, expenditures and surplus (deficit) by segment**

	Revenue	Expenditures	Transfers	Surplus (deficit)
Community Development	335,886	385,581	(326,240)	(375,935)
Economic Development	33,369	500	-	32,869
Education	347,427	349,559	(31,010)	(33,142)
Indian Government Support	222,029	1,120,196	303,510	(594,657)
Social Development	307,754	336,854	-	(29,100)
Indian Registration	5,000	14,910	-	(9,910)
Health Services	221,207	209,758	-	11,449
CMHC Operations	98,056	45,326	(18,081)	34,649
Band Programs	1,688,003	1,460,239	(320,000)	(92,236)
Amortization	-	391,821	391,821	-
	<u><u>3,258,731</u></u>	<u><u>4,314,744</u></u>	<u><u>-</u></u>	<u><u>(1,056,013)</u></u>

# **Nekaneet First Nation**

## **Notes to Consolidated Financial Statements**

**March 31, 2017**

## 22. INAC reconciliation

	2017	2016
Total per INAC confirmation	\$ 1,104,491	\$ 1,069,036
Receivable (payable) previous year		
Basic Needs	-	(646)
Band Employee Benefits	(3,715)	(196)
Summer work experience	-	-
Current year receivable (payable)		
Basic Needs	10,307	(10,216)
Band Employee Benefits	(5,118)	3,715
Home Care	(1,256)	-
Institutional Care	132	(18)
Special Needs	(2,224)	(12,604)
	<hr/>	<hr/>
	\$ 1,102,617	\$ 1,049,071

## 23. Government Transfers

	2017		
	Operating	Capital	Total
<b>Federal government transfers</b>			
Indigenous and Northern Affairs Canada	\$ 1,005,336	\$ 97,281	\$ 1,102,617
Health Canada	275,085	-	275,085
Canada Mortgage and Housing Corporation	61,207	-	61,207
<b>Total</b>	<b>1,341,628</b>	<b>97,281</b>	<b>1,438,909</b>
<b>Provincial government transfers</b>			
	-	-	-
	\$ 1,341,628	\$ 97,281	\$ 1,438,909

	2016		
	Operating	Capital	Total
<b>Federal government transfers</b>			
Indigenous and Northern Affairs Canada	\$ 951,790	\$ 97,281	\$ 1,049,071
Health Canada	245,190	-	245,190
Canada Mortgage and Housing Corporation	62,833	-	62,833
<b>Total</b>	<b>1,259,813</b>	<b>97,281</b>	<b>1,357,094</b>
<b>Provincial government transfers</b>			
	\$ 1,259,813	\$ 97,281	\$ 1,357,094

**Nekaneet First Nation**  
**Notes to Consolidated Financial Statements**  
March 31, 2017

**24. CMHC housing restricted funds**

It is a requirement of the CMHC operating agreements that subsidy surplus, operating and replacement reserves be established and monies be set aside in separate bank accounts. On March 31, 2017 the reserve accounts were under-funded by \$380,312 (2016-\$352,008). The amount required to be set aside was \$464,754 (2016-\$435,806) and the amount in the reserve bank account was \$84,442 (2016-\$83,798). (The reserve amount of \$464,754 is not reported separately on these financial statements, but is included in equity).

**25. Employee benefit obligations**

**Vacation and overtime**

The vacation and overtime liability is comprised of the vacation and overtime that employees are deferring to future years. Employees have either earned the benefits or are entitled to these benefits within the next budgetary year.

**Post-employment benefits**

Nekaneet First Nation does not provide extended health, dental and life insurance benefits to retirees and their surviving spouses and therefore has no obligations with regards to post employment benefits.

**Pension plan**

Nekaneet First Nation provides a defined contribution plan for eligible members of its staff. Members are required to contribute 5% of their salary and Nekaneet First Nation contributes a matching portion. Nekaneet First Nation does not have any other obligations with regards to the pension plan as at March 31, 2017.

**26. Contractual Obligations**

The nature of Nekaneet First Nation's activities can result in some multi-year contracts whereby it will be obligated to make future payments when the goods or services are received. There are no significant contractual obligations.

**27. Contingent liabilities**

Nekaneet First Nation has entered into contribution agreements with various federal government departments. Funding received under these contribution agreements is subject to repayment if the First Nation fails to comply with the terms and conditions of the agreements.

In addition, in the normal course of its operations, Nekaneet First Nation becomes involved in legal actions. Some of these potential liabilities may become actual liabilities when one or more future events occur or fail to occur. To the extent that the future event is likely to occur, and a reasonable estimate of the loss can be made, an estimated liability is accrued and an expense recorded on Nekaneet First Nation's financial statements.

The First Nation is contingently liable for a loan of New Horizon First Nation Administration Inc. with Peace Hills Trust. As of December 31, 2016 there was an outstanding balance of \$886,613 (2015 - \$923,169).

**Nekaneet First Nation**  
**Notes to Consolidated Financial Statements**  
*March 31, 2017*

**28. Related party transactions**

Transactions with related parties are in the normal course of business and are for fair consideration that is mutually agreed upon by the related parties.

**29. Trusts under administration**

Nekaneet First Nation acts as a trustee for a number of third parties, holding assets and administering them on their behalf. These assets held in trust are not included on the statement of financial position as assets of Nekaneet First Nation. Amounts held in trust at the year-end are the following:

	2017	2016
<u>Nekaneet Treaty Benefits Claims Trust</u>	<u>\$ 10,492,729</u>	<u>\$ 10,030,321</u>
	<u><u>\$ 10,492,729</u></u>	<u><u>\$ 10,030,321</u></u>

**30. Economic dependence**

Nekaneet First Nation receives a major portion of its revenue pursuant to funding agreements with Indigenous and Northern Affairs Canada and Health Canada.

**31. Subsequent events**

There are no subsequent events to report.

**32. Budgeted figures**

Budgeted figures have been provided for comparison purposes and have been derived from estimates approved by Nekaneet First Nation.

**Nekaneet First Nation**  
**Notes to Consolidated Financial Statements**  
*March 31, 2017*

**33. Expenses by object**

	2017 Budget	2017 Actual	2016 Actual
Administration	\$ 31,636	\$ 45,719	\$ 46,710
Amortization	-	391,821	391,820
Assistance	178,566	600,068	390,517
Bad debts	-	16,908	57,300
Consultants and contractors	281,280	3,460,843	252,763
Cultural programs	27,300	321,950	57,813
Elders	500	5,804	200
Equipment	60,875	-	82,000
First Nations Trust	123,500	41,705	146,727
Fuel	21,500	41,744	21,736
Funeral assistance	-	11,400	-
Governance	-	24,900	43,100
Graduation, awards, prizes	4,900	2,500	5,610
Honorariums	-	319,005	347,000
Insurance	37,500	32,754	27,933
Interest and bank charges	25,000	62,814	46,050
Janitorial	-	5,158	8,449
Long-term debt - CMHC mortgage interest	-	24,648	15,526
Long-term debt - interest	-	199,557	87,192
Loss (gain) on investments	-	6,376	45,341
NCBR - community based support	9,000	24,033	6,475
Per capita distribution	-	13,618	155,718
Professional fees	84,400	119,090	59,906
Program expenses	3,500	6,500	69,186
Registration fees	2,325	5,632	3,250
Rent - equipment	1,800	14,572	5,785
Rent - office	-	-	1,500
Repairs and maintenance	64,224	85,293	112,875
Septic pump outs	-	1,260	-
Student allowance	110,792	119,285	137,475
Student transportation	3,000	1,000	5,000
Supplies	60,297	61,999	76,396
Telephone	17,200	23,187	22,443
Training	500	52,976	2,255
Travel - medical transportation	664	2,801	5,593
Travel, meetings, per diems	77,886	351,668	205,541
Tuition	60,000	63,515	68,676
Unexpended funds - unrecorded in prior period	-	-	13,502
Utilities	16,255	100,853	46,927
Wages and benefits	489,007	489,663	538,049
Transfer to capital assets	-	(2,837,877)	(125,334)
	<hr/>	<hr/>	<hr/>
	\$ 1,793,407	\$ 4,314,742	\$ 3,485,005

**Nekaneet First Nation**  
**Notes to Consolidated Financial Statements**  
March 31, 2017

**34. INAC funding**

The First Nation (Recipient) receives funding from Indigenous and Northern Affairs Canada (INAC) by entering into an agreement with INAC.

There are five approaches that INAC may consider in the design and delivery of transfer payment programs:

1. **Grant approach** – A grant is a transfer payment that is subject to pre-established eligibility and other entitlement criteria. Recipients are not required to account for the grant, but they may be required to report on results. The grant funding approach can be used for any duration of time necessary to achieve program results.
2. **Set contribution approach** – A set contribution is a transfer payment that is subject to performance conditions outlined in a funding agreement. Set contributions must be accounted for and are subject to audits. Funds are to be expended as identified in the funding agreement and cannot be redirected to other programs. Any unspent funding and any funding spent on ineligible expenditure must be returned to INAC annually.
3. **Fixed contribution approach** – Fixed contribution funding is an option where annual funding amounts are established on a formula basis or where the total expenditure is based on a fixed-cost approach. Fixed funding is distributed on a program basis. It is possible under this approach for recipients to keep any unspent funding provided that program requirements set out in the funding agreement have been met and the recipient agrees to use the unspent funds for purposes consistent with the program objectives or any other purpose agreed to by INAC. A plan must be submitted and approved by INAC prior to spending the unspent funds. If the funds are not spent according to the plan within the agreed upon time period they will be recovered by INAC.
4. **Flexible contribution approach** – Flexible contribution funding is an option which allows funds to be moved within cost categories of a single program during the life of the project/agreement. However, unspent funds must be returned to INAC at the end of the project, program or agreement.
5. **Block contribution approach** – Block contribution funding is an option which allows funds to be reallocated within the block of programs during the agreement, as long as progress towards program objectives is being achieved. It is possible under this approach for recipients to keep any unspent funding provided that program delivery standards have been met and the recipient agrees to use the unspent funding for purposes consistent with the block program objectives or any other purpose agreed to by INAC.

**Nekaneet First Nation**  
**Notes to Consolidated Financial Statements**  
March 31, 2017

### **35. Segmented information**

As previously discussed in note 2 (j) the First Nation conducts its business through reportable segments as follows:

#### **1) Indigenous and Northern Affairs Canada (INAC)**

##### **Claims and Indian Government:**

Costs associated with the negotiation, settlement and implementation of specific claims and comprehensive land claim agreements as well as special claims and self-government agreements.

##### **Community Development:**

Costs to acquire, construct, operate and maintain basic community facilities and services such as water and sewage, roads, electrification, schools, community buildings and fire protection. Also costs associated with ensuring that these facilities and community services meet recognized standards and are comparable to the services provided to nearby communities by provincial and municipal governments.

##### **Economic Development:**

Costs associated with economic development planning, proposal development, and planning and implementation of ongoing activities and one-time projects. Also costs to pursue economic objectives in areas such as the employment of community members, the development of community-owned and community member businesses, the development of land and resources under community control, access to economic opportunities on land and resources beyond community control, investment promotion, and research and advocacy.

##### **Education:**

Costs to support First Nation and Inuit communities in expressing, preserving, developing and promoting their cultural heritage, through the establishment and operation of First Nation and Inuit cultural education centres and programs. Costs to provide eligible students living on reserve and eligible Inuit with elementary/secondary education programs and services including instructional services in federal, provincial, band-operated schools, or a private/independent school (recognized by the province in which the school is located as an elementary/secondary institution), and student support services such as transportation, accommodation, guidance and counselling services. Costs associated with INAC's First Nations and Inuit Youth Employment Strategy to develop and enhance essential employability skills, such as communication, problem solving, and working with others, expose youth to a variety of career options, and promote the benefits of education as being key to labor market participation. Also, costs to support eligible First Nation and Inuit students to access education opportunities at the post-secondary level and supports the development and delivery of college and university level courses for First Nation and Inuit students, and research and development on First Nation and Inuit education. Costs for the provision of special education services and programs and costs to provide internet access, information technology equipment, technical support and training to students and school staff.

##### **Indian Government Support:**

Costs to support the further development of competent, stable, legitimate, and accountable community governments by strengthening First Nations and Inuit governance and by funding initiatives which address needs in the areas of professional and institutional development at the local level and at the level of emerging regional and national organizations. Also, costs to enable tribal councils to provide advisory services such as financial management, band government, economic development, community planning, technical services to the member First Nations and to defray the costs of administering programs on behalf of member communities and to provide funding for equivalent advisory services to large First Nations which are not affiliated with a tribal council.

**Nekaneet First Nation**  
**Notes to Consolidated Financial Statements**  
March 31, 2017

**35. Segmented information, continued**

**Land Management:**

Costs associated to the administration of land transactions on designated and non-designated lands under sections 53 and 60 of the Indian Act.

**Social Development:**

First Nations people, like other Canadian citizens, are responsible for managing their own affairs and maintaining themselves to the extent that their resources permit. Some individuals and families are unable to provide for themselves and their dependents. Situations therefore exist in which assistance must be available to community members in need. Income Assistance is one type of income supplement available to eligible persons. Other income supports include Old Age Security, Child Tax Benefits, etc.

**Indian Registration:**

Costs associated with the maintenance of the Indian Register, a record of everyone who is registered as an Indian under the Indian Act.

**Governance and Institutions of Government:**

Costs associated with Governance and Institution of Government activities.

**2) Health Programs (FNIHB)**

Health Canada provides funding for costs associated with the development of safe and healthy communities in the following areas:

Children and Youth; Mental Health and Addictions; Chronic Disease and Injury Prevention; Communicable Disease Control; Environmental Health and Research Component; Primary Care; Non-Insured Health Benefits; Health Governance and Infrastructure; Capital; Treatment Centres; Aboriginal Health Transition Fund; Headquarter projects.

**3) Canada Mortgage and Housing Corporation (CMHC)**

Non-Profit On-Reserve Housing Program (Section 95); Residential Rehabilitation Assistance Program (RRAP); Home Adaptations for Seniors' Independence Program (HASI); Shelter Enhancement Program; Housing Internship Initiative for First Nations and Inuit Youth.

**4) Band programs**

Other programs that vary based on own source revenue. These could include First Nations Trust, Tribal Council, CDC, Band Trust Funds and other business ventures. These outside revenue sources are used to fund programs such as recreational or cultural activities for the benefit of membership that are not funded by government agencies.

**Schedule #1**  
**Nekaneet First Nation**  
**Community Development**  
**Schedule of Operations**  
*For the year ended March 31, 2017*

	2017 Budget	2017 Actual	2016 Actual
<b>Revenue</b>			
INAC - fixed	\$ 89,239	\$ 123,664	\$ 116,097
INAC - set	131,706	97,281	-
INAC - flexible	-	-	97,281
FHQ Tribal Council	5,680	-	5,400
Other revenue	12,000	27,936	4,000
Unexpended funds transferred - prior year	-	91,985	49,745
Deferred revenue - prior	-	27,087	66,822
Deferred revenue - current	-	(3,819)	(27,087)
	<b>238,625</b>	<b>364,134</b>	<b>312,258</b>
<b>Expenses</b>			
Administration	20,930	10,201	-
Consultants and contractors	35,861	2,919,545	71,691
Fuel	1,500	4,831	180
Insurance	30,000	26,018	22,350
Interest and bank charges	-	11,715	-
Janitorial	-	358	4,007
Long-term debt - interest	-	87,396	-
Professional fees	-	255	-
Registration fees	-	-	150
Repairs and maintenance	37,826	24,604	24,300
Septic pump outs	-	1,260	-
Supplies	9,724	3,446	610
Telephone	-	266	1,064
Travel, meetings, per diems	526	5,752	6,240
Utilities	14,755	48,818	40,698
Wages and benefits	87,503	78,993	73,383
Transfer to capital assets	-	(2,837,877)	(39,735)
	<b>238,625</b>	<b>385,581</b>	<b>204,938</b>
<b>Current surplus (deficit) before unexpended funds</b>	<b>-</b>	<b>(21,447)</b>	<b>107,320</b>
<b>Unexpended funds</b>			
Unexpended funds transferred to deferred revenue	-	(28,248)	(91,985)
<b>Current surplus (deficit) before transfers</b>	<b>-</b>	<b>(49,695)</b>	<b>15,335</b>
<b>Transfers</b>			
Transfer - Amortization	-	(326,240)	(326,240)
<b>Current deficit</b>	<b>\$ -</b>	<b>\$ (375,935)</b>	<b>\$ (310,905)</b>

The accompanying notes are an integral part of the financial statements

**Schedule #2**  
**Nekaneet First Nation**  
**Economic Development**  
**Schedule of Operations**  
*For the year ended March 31, 2017*

	2017 Budget	2017 Actual	2016 Actual
<b>Revenue</b>			
FHQ Tribal Council	\$ 33,369	\$ 33,369	\$ 33,369
<b>Expenses</b>			
Consultants and contractors	33,369	500	21,200
Travel, meetings, per diems	-	-	254
	33,369	500	21,454
<b>Current surplus</b>	<b>\$ -</b>	<b>\$ 32,869</b>	<b>\$ 11,915</b>

The accompanying notes are an integral part of the financial statements

**Schedule #3**  
**Nekaneet First Nation**  
**Education**  
**Schedule of Operations**  
*For the year ended March 31, 2017*

	2017 Budget	2017 Actual	2016 Actual
<b>Revenue</b>			
INAC - fixed	\$ 322,052	\$ 346,889	\$ 322,052
Unexpended funds transferred - prior year	- -	538	120,640
	<b>322,052</b>	<b>347,427</b>	<b>442,692</b>
<b>Expenses</b>			
Administration	- -	- 14,807	
Assistance	- -	6,205 -	
Consultants and contractors	18,500	12,350	16,195
Equipment	18,500	- 82,000	
Fuel	19,500	36,913	21,363
Graduation, awards, prizes	4,900	2,500	5,610
Insurance	3,500	677	878
Interest and bank charges	- -	- 500	
Long-term debt - payments (principle & interest)	- -	30,228	10,313
Long-term debt - principle repayment	- -	(26,907)	(8,731)
Program expenses	- -	900 -	
Registration fees	2,325	2,582	1,600
Repairs and maintenance	11,298	1,139	15,454
Student allowance	110,792	119,285	137,475
Student transportation	3,000	1,000	5,000
Supplies	13,638	19,140	20,896
Training	300	- 773	
Travel, meetings, per diems	7,000	27,374	8,817
Tuition	60,000	63,515	68,676
Wages and benefits	49,578	52,658	31,798
Transfer to capital assets	- -	- (82,000)	
	<b>322,831</b>	<b>349,559</b>	<b>351,424</b>
<b>Current surplus (deficit) before unexpended funds</b>	<b>(779)</b>	<b>(2,132)</b>	<b>91,268</b>
<b>Unexpended funds</b>			
Unexpended funds transferred to deferred revenue	- -	- (538)	
<b>Current surplus (deficit) before transfers</b>	<b>(779)</b>	<b>(2,132)</b>	<b>90,730</b>
<b>Transfers</b>			
Transfer - Amortization	- -	(31,010)	(31,010)
<b>Current surplus (deficit)</b>	<b>\$ (779)</b>	<b>\$ (33,142)</b>	<b>\$ 59,720</b>

The accompanying notes are an integral part of the financial statements

**Schedule #4**  
**Nekaneet First Nation**  
**Indian Government Support**  
**Schedule of Operations**  
*For the year ended March 31, 2017*

	2017 Budget	2017 Actual	2016 Actual
<b>Revenue</b>			
INAC - grant	\$ 206,538	\$ 210,899	\$ 206,538
INAC - fixed	3,439	4,911	3,821
INAC - set	6,860	11,337	7,622
INAC - current year receivable (payable)	-	(5,118)	3,715
First Nation GST	-	-	345,583
Other revenue	-	-	104,252
Administration fees	-	-	21,836
	<b>216,837</b>	<b>222,029</b>	<b>693,367</b>
<b>Expenses</b>			
Assistance	-	-	152,245
Consultants and contractors	120,000	254,580	81,167
Elders	500	-	200
Fuel	500	-	192
Governance	-	8,000	1,000
Honorariums	-	295,580	347,000
Insurance	4,000	-	3,627
Interest and bank charges	25,000	39,842	35,599
Professional fees	70,000	77,140	40,838
Registration fees	-	3,050	550
Rent - equipment	1,800	2,572	1,785
Repairs and maintenance	11,500	622	11,647
Supplies	14,000	8,652	12,750
Telephone	14,000	14,515	13,906
Training	200	44,500	158
Travel, meetings, per diems	57,500	248,871	164,900
Wages and benefits	184,000	122,272	194,697
	<b>503,000</b>	<b>1,120,196</b>	<b>1,062,261</b>
<b>Current deficit before transfers</b>	<b>(286,163)</b>	<b>(898,167)</b>	<b>(368,894)</b>
<b>Transfers</b>			
Transfer - Health Services	-	-	9,294
Transfer - Band Programs	-	320,000	257,000
Transfer - Amortization	-	(16,490)	(16,489)
<b>Current deficit</b>	<b>\$ (286,163)</b>	<b>\$ (594,657)</b>	<b>\$ (119,089)</b>

The accompanying notes are an integral part of the financial statements

**Schedule #5**  
**Nekaneet First Nation**  
**Social Development**  
**Schedule of Operations**  
*For the year ended March 31, 2017*

	2017 Budget	2017 Actual	2016 Actual
<b>Revenue</b>			
INAC - fixed	\$ 33,221	\$ 38,758	\$ 32,682
INAC - set	262,410	262,037	277,101
INAC - current year receivable (payable)	-	6,959	(22,838)
	<b>295,631</b>	<b>307,754</b>	<b>286,945</b>
<b>Expenses</b>			
Assistance	178,566	187,071	176,975
Consultants and contractors	5,000	2,225	5,725
Cultural programs	9,000	6,637	-
NCBR - community based support	9,000	24,033	6,475
Professional fees	14,400	35,772	19,068
Program expenses	-	1,000	-
Registration fees	-	-	150
Supplies	2,100	7,651	5,711
Training	-	1,066	-
Travel, meetings, per diems	2,160	3,108	1,217
Wages and benefits	71,889	68,291	78,217
	<b>292,115</b>	<b>336,854</b>	<b>293,538</b>
<b>Current deficit</b>	<b>\$ 3,516</b>	<b>\$ (29,100)</b>	<b>\$ (6,593)</b>

The accompanying notes are an integral part of the financial statements

**Schedule #6**  
**Nekaneet First Nation**  
**Indian Registration**  
**Schedule of Operations**  
*For the year ended March 31, 2017*

	2017 Budget	2017 Actual	2016 Actual
<b>Revenue</b>			
INAC - fixed	\$ 5,000	\$ 5,000	\$ 5,000
<b>Expenses</b>			
Consultants and contractors	-	500	-
Supplies	1,000	500	540
Travel, meetings, per diems	-	910	-
Wages and benefits	4,000	13,000	4,500
	5,000	14,910	5,040
<b>Current deficit</b>	<b>\$ -</b>	<b>\$ (9,910)</b>	<b>\$ (40)</b>

The accompanying notes are an integral part of the financial statements

**Schedule #7**  
**Nekaneet First Nation**  
**Health Services**  
**Schedule of Operations**  
*For the year ended March 31, 2017*

	2017 Budget	2017 Actual	2016 Actual
<b>Revenue</b>			
Health Canada	\$ 199,182	\$ 275,085	\$ 245,190
Other revenue	-	-	2,000
Administration fees	-	20,877	26,374
	<b>199,182</b>	<b>295,962</b>	<b>273,564</b>
<b>Expenses</b>			
Administration	9,266	20,877	23,320
Consultants and contractors	61,550	39,769	24,210
Cultural programs	18,300	14,235	41,647
Insurance	-	20	-
Janitorial	-	-	642
Program expenses	1,500	-	13,797
Registration fees	-	-	800
Repairs and maintenance	3,600	5,088	3,838
Supplies	19,836	8,029	23,135
Telephone	3,200	8,407	7,139
Training	-	770	-
Travel - medical transportation	664	2,801	5,593
Travel, meetings, per diems	7,000	30,644	9,088
Utilities	1,500	4,643	5,629
Wages and benefits	84,536	74,475	102,624
Transfer to capital assets	-	-	(3,599)
	<b>210,952</b>	<b>209,758</b>	<b>257,863</b>
<b>Current surplus before unexpended funds</b>	<b>(11,770)</b>	<b>86,204</b>	<b>15,701</b>
<b>Unexpended funds</b>			
Unexpended funds transferred to deferred revenue	-	(74,755)	-
<b>Current surplus before transfers</b>	<b>(11,770)</b>	<b>11,449</b>	<b>15,701</b>
<b>Transfers</b>			
Transfer - Indian Government Support	-	-	(9,294)
<b>Current surplus</b>	<b>\$ (11,770)</b>	<b>\$ 11,449</b>	<b>\$ 6,407</b>

The accompanying notes are an integral part of the financial statements

**Schedule #8**  
**Nekaneet First Nation**  
**CMHC Operations**  
**Schedule of Operations**  
*For the year ended March 31, 2017*

	2017 Budget	2017 Actual	2016 Actual
<b>Revenue</b>			
CMHC	\$ -	\$ 91,956	\$ 103,682
Interest revenue	- -	- -	1,800
Other revenue	- -	6,100	-
	- -	98,056	105,482
<b>Expenses</b>			
Insurance	- -	6,000	-
Interest and bank charges	- -	1,944	1,090
Long-term debt - CMHC mortgage interest	- -	24,648	15,526
Professional fees	- -	5,923	-
Repairs and maintenance	- -	6,811	1,035
	- -	45,326	17,651
<b>Current surplus before transfers</b>	- -	52,730	87,831
<b>Transfers</b>			
Transfer - Amortization	- -	(18,081)	(18,081)
<b>Current surplus</b>	\$ -	\$ 34,649	\$ 69,750

The accompanying notes are an integral part of the financial statements

**Schedule #9**  
**Nekaneet First Nation**  
**Band Programs**  
**Schedule of Operations**  
*For the year ended March 31, 2017*

	2017 Budget	2017 Actual	2016 Actual
<b>Revenue</b>			
Funds held in trust by Federal Government	\$ -	\$ 134,705	\$ 137,910
FHQ Tribal Council	14,400	157,253	97,598
First Nation GST	375,305	373,196	-
First Nations Trust	173,075	163,165	174,214
Specific Claims Settlement Trust	-	334,988	344,887
Keseechiwan Holdings - monetary benefit agreement	-	251,916	144,283
Community Development Corporation	-	28,811	35,477
Interest revenue	-	2	3
Other revenue	20,123	450,938	115,001
Administration fees	18,214	33,841	-
Deferred revenue - current	-	(240,812)	-
	601,117	1,688,003	1,049,373
<b>Expenses</b>			
Administration	1,440	14,641	8,583
Assistance	-	406,792	61,296
Bad debts	-	16,908	57,300
Consultants and contractors	7,000	231,374	32,575
Cultural programs	-	301,078	16,166
Elders	-	5,804	-
Equipment	42,375	-	-
First Nations Trust	123,500	41,705	146,727
Funeral assistance	-	11,400	-
Governance	-	16,900	42,100
Honorariums	-	23,425	-
Insurance	-	39	1,078
Interest and bank charges	-	9,313	8,862
Janitorial	-	4,800	3,800
Long-term debt - interest	-	108,840	85,609
Loss (gain) on investments	-	6,376	45,341
Per capita distribution	-	13,618	155,718
Program expenses	2,000	4,600	55,389
Rent - equipment	-	12,000	4,000
Rent - office	-	-	1,500
Repairs and maintenance	-	47,028	56,601
Supplies	-	14,580	12,754
Telephone	-	-	333
Training	-	6,640	1,325
Travel, meetings, per diems	3,700	35,009	15,025

The accompanying notes are an integral part of the financial statements

**Schedule #9, continued**  
**Nekaneet First Nation**  
**Band Programs**  
**Schedule of Operations**  
*For the year ended March 31, 2017*

	2017 Budget	2017 Actual	2016 Actual
Unexpended funds - unrecorded in prior period	-	-	13,502
Utilities	-	47,392	600
Wages and benefits	7,500	79,977	52,834
	<b>187,515</b>	<b>1,460,239</b>	<b>879,018</b>
<b>Current surplus before transfers</b>	<b>413,602</b>	<b>227,764</b>	<b>170,355</b>
<b>Transfers</b>			
Transfer - Indian Government Support	-	(320,000)	(257,000)
<b>Current deficit</b>	<b>\$ 413,602</b>	<b>\$ (92,236)</b>	<b>\$ (86,645)</b>

The accompanying notes are an integral part of the financial statements

**Schedule #10**  
**Nekaneet First Nation**  
**Amortization**  
**Schedule of Operations**  
*For the year ended March 31, 2017*

	2017 Budget	2017 Actual	2016 Actual
<b>Revenue</b>	\$ -	\$ -	\$ -
<b>Expenses</b>			
CMHC Operations	-	18,081	18,081
Education	-	31,010	31,010
Public Works	-	326,240	326,240
Band Support	-	16,490	16,489
	-	391,821	391,820
<b>Current deficit before transfers</b>	-	(391,821)	(391,820)
<b>Transfers</b>			
Transfer - Programs	-	391,821	391,820
<b>Current surplus</b>	\$ -	\$ -	\$ -

The accompanying notes are an integral part of the financial statements