

**Ross River Dena Council**  
**Financial Statements**  
For the year ended March 31, 2017

**Ross River Dena Council  
Financial Statements  
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For the year ended March 31, 2017**

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## Management's Responsibility for Financial Reporting

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The accompanying financial statements of Ross River Dena Council (the "First Nation") are the responsibility of management and have been approved by the Chief and Council of the First Nation.

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

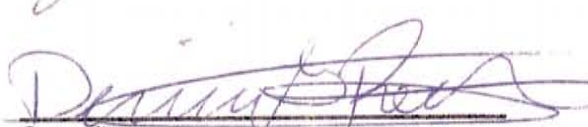
The First Nation maintains systems of internal accounting and administrative controls of high quality, consistent with reasonable cost. Such systems are designed to provide reasonable assurance that the financial information is relevant, reliable and accurate and the First Nation's assets are appropriately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

The First Nation Council is responsible for ensuring that management fulfills its responsibilities for financial reporting and is ultimately responsible for reviewing and approving the financial statements.

The Chief and Council review the First Nation's 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 issues, to satisfy themselves that each party is properly discharging their responsibilities, and to review the annual report, the financial statements and the external auditors' report. The Chief and Council takes this information into consideration when approving the financial statements for issuance to the Members. The Chief and Council also consider the engagement of the external auditors.

The financial statements have been audited by BDO Canada LLP in accordance with Canadian generally accepted auditing standards on behalf of the members. BDO Canada LLP has full access to the First Nation Council.

  
Chief

  
Councilor

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## Independent Auditor's Report

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### To the Members of Ross River Dena Council

We have audited the accompanying financial statements of Ross River Dena Council (the "First Nation"), which comprise the statement of financial position as at March 31, 2017 and the statements of operations, changes in net financial assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

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

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

#### Auditor's Responsibility

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

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

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

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## Independent Auditor's Report, continued

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### **Basis for Qualified Opinion**

The financial statements that were provided for the First Nation's investments in Tu Lidlini Petroleum Corp. and Dena Nezziddi Development Corporation for the year ending March 31, 2017 were not audited. We were therefore unable to determine whether adjustments might be necessary to investment revenue, annual surplus and cash flows from operations for the years ended March 31, 2017 and 2016, investments as at March 31, 2017 and 2016, and accumulated surplus as at April 1 and March 31 for both the 2017 and 2016 years. Our audit opinion on the financial statements for the year ended March 31, 2016 was modified accordingly because of the possible effects of this limitation in scope.

### **Qualified Opinion**

In our opinion, except for the possible effects of the matters described in the Basis for Qualified Opinion paragraph, these financial statements present fairly, in all material respects, the financial position of Ross River Dena Council as at March 31, 2017 and the results of its operations, changes in net financial assets and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

### **Other Matters**

Ross River Dena Council has also prepared another set of financial statements for the year ended March 31, 2017 in accordance with Canadian public sector accounting standards. However, these financial statements include unaudited supplementary schedules which present detailed program revenues and expenditures prepared to assist management of Ross River Dena Council to meet the reporting requirements of various funding agencies. Our audit report on the other set of financial statements was issued to Chief and Council of Ross River Dena Council and was dated October 11, 2017.

*BDO Canada LLP*

Chartered Professional Accountants

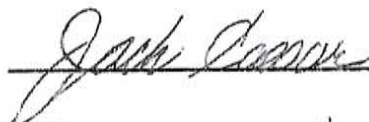
Whitehorse, Yukon  
October 11, 2017

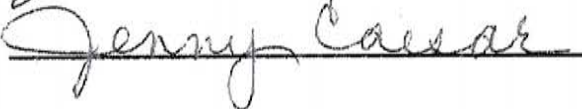


## Ross River Dena Council Statement of Financial Position

| As at March 31                           | 2017                | 2016                |
|--|---------------------|---------------------|
| <b>Financial Assets</b>                  |                     |                     |
| Cash and cash equivalents                | \$ 1,601,053        | \$ -                |
| Accounts receivable (Note 1)             | 343,379             | 143,656             |
| Grants receivable (Note 2)               | 566,900             | 915,070             |
| Portfolio investments (Note 3)           | -                   | 23,940              |
| Investments (Note 4)                     | 608,756             | 450,482             |
|  | <u>3,120,088</u>    | <u>1,533,148</u>    |
| <b>Liabilities</b>                       |                     |                     |
| Bank indebtedness                        | -                   | 39,721              |
| Accounts payable and accrued liabilities | 2,295,365           | 667,014             |
| Deferred revenue                         | 20,000              | 20,000              |
| Long-term debt (Note 6)                  | -                   | 95,017              |
|  | <u>2,315,365</u>    | <u>821,752</u>      |
| <b>Net Financial Assets</b>              | 804,723             | 711,396             |
| <b>Non-Financial Assets</b>              |                     |                     |
| Tangible capital assets (Note 5)         | 6,789,471           | 4,981,713           |
| <b>Accumulated Surplus (Note 10)</b>     | <u>\$ 7,594,194</u> | <u>\$ 5,693,109</u> |

Approved on behalf of the Council:

  
 \_\_\_\_\_ Chief

  
 \_\_\_\_\_ Councilor

## Ross River Dena Council Statement of Operations

| For the year ended March 31                   | 2017                | 2016                |
|---|---------------------|---------------------|
| <b>Revenue</b>                                |                     |                     |
| Indigenous and Northern Affairs Canada        | \$ 6,496,130        | \$ 3,747,054        |
| Government of Canada                          | 700,166             | 694,806             |
| Yukon Government                              | 438,050             | 588,690             |
| Investment                                    | 158,274             | (24,228)            |
| Other   | 722,271             | 990,865             |
| Administration                                | 190,576             | 113,988             |
|   | <u>8,705,467</u>    | <u>6,111,175</u>    |
| <b>Expenses</b>                               |                     |                     |
| Education                                     | 198,003             | 553,511             |
| Heritage, Lands and Resources                 | 792,705             | 684,508             |
| Health and Social Development                 | 3,185,129           | 2,490,251           |
| Housing, Property Management, and Municipal   | 1,560,083           | 848,257             |
| Finance and Executive                         | 966,530             | 1,201,813           |
|   | <u>6,702,450</u>    | <u>5,778,340</u>    |
| <b>Annual surplus, before the following</b>   | <b>2,003,017</b>    | <b>332,835</b>      |
| Repayment of surplus                          | <u>(101,932)</u>    | <u>(106,827)</u>    |
| <b>Annual surplus</b>                         | <b>1,901,085</b>    | <b>226,008</b>      |
| <b>Accumulated surplus, beginning of year</b> | <b>5,693,109</b>    | <b>5,467,101</b>    |
| <b>Accumulated surplus, end of year</b>       | <b>\$ 7,594,194</b> | <b>\$ 5,693,109</b> |

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements.

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**Ross River Dena Council**  
**Statement of Changes in Net Financial Assets**

| <b>For the year ended March 31</b>             | <b>2017</b>         | <b>2016</b>       |
|--|---------------------|-------------------|
| <hr/>  |                     |                   |
| <b>Annual surplus (deficit)</b>                | <b>\$ 1,901,085</b> | <b>\$ 226,008</b> |
| Acquisition of tangible capital assets         | <b>(2,031,185)</b>  | <b>-</b>          |
| Amortization of tangible capital assets        | <b>223,427</b>      | <b>241,485</b>    |
|  | <hr/>               | <hr/>             |
| Increase in net financial assets for the year  | <b>93,327</b>       | <b>467,493</b>    |
| <b>Net financial assets, beginning of year</b> | <b>711,396</b>      | <b>243,903</b>    |
|  | <hr/>               | <hr/>             |
| <b>Net financial assets, end of year</b>       | <b>\$ 804,723</b>   | <b>\$ 711,396</b> |
| <hr/>  |                     |                   |

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements.



## Ross River Dena Council Statement of Cash Flows

| For the years ended March 31  | 2017                   | 2016                   |
|---|------------------------|------------------------|
| <b>Cash provided by (used in):</b>                                      |                        |                        |
| <b>Operating transactions</b>   |                        |                        |
| Surplus for the year  | \$ 1,901,085           | \$ 226,008             |
| Items not utilizing cash:   |                        |                        |
| Gain on forgiven loan   | (72,200)               | -                      |
| Amortization of tangible capital assets                                 | 223,427                | 241,485                |
| Equity loss (earnings) of investments                                   | (158,274)              | 36,459                 |
| Impairment of portfolio investments                                     | 23,940                 | -                      |
| Cash provided by changes in non-cash working capital items:             |                        |                        |
| Accounts receivable   | (199,723)              | 22,660                 |
| Contributions receivable  | 348,170                | (519,437)              |
| Accounts payable and accrued liabilities                                | (93,972)               | 8,805                  |
|   | <u>1,972,453</u>       | <u>15,980</u>          |
| <b>Financing transactions</b>   |                        |                        |
| Repayment of long-term debt   | <u>(22,817)</u>        | <u>(22,172)</u>        |
| <b>Capital transactions</b>   |                        |                        |
| Acquisition of tangible capital assets                                  | (2,031,185)            | -                      |
| Less amounts included in accounts payable and accrued liabilities       | 1,722,323              | -                      |
|   | <u>(308,862)</u>       | <u>-</u>               |
| <b>Net change in cash and cash equivalents for the year</b>             | <b>1,640,774</b>       | <b>(6,192)</b>         |
| <b>Cash and cash equivalents (bank indebtedness), beginning of year</b> | <u><b>(39,721)</b></u> | <u><b>(33,529)</b></u> |
| <b>Cash and cash equivalents (bank indebtedness), end of year</b>       | <b>\$ 1,601,053</b>    | <b>\$ (39,721)</b>     |

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements.

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## Ross River Dena Council Summary of Significant Accounting Policies

March 31, 2017

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|                                  |  |           |    |                      |     |                    |     |                                |     |
|----------------------------------|--|-----------|----|----------------------|-----|--------------------|-----|--------------------------------|-----|
| <b>Basis of Presentation</b>     | These financial statements have been prepared in accordance with Canadian generally accepted accounting principles for Canadian First Nations as described in the Year-end Reporting Handbook of Indigenous and Northern Affairs Canada and defined in the Canadian Public Sector Accounting Standards Handbook, which encompasses the following principles:   |           |    |                      |     |                    |     |                                |     |
| <b>Program Accounting</b>        | A program is determined for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations. Each program has its own statement of operations which presents the results of operations for the program.   |           |    |                      |     |                    |     |                                |     |
| <b>Cash and cash equivalents</b> | Cash and cash equivalents are comprised of cash on hand and short-term highly liquid investments that are readily convertible to known amounts of cash. These investments are subject to changes in value.   |           |    |                      |     |                    |     |                                |     |
| <b>Tangible Capital Assets</b>   | <p>Tangible capital assets acquired are recorded at cost less accumulated amortization and are recorded in the program schedules. Cost includes all costs directly attributable to acquisition or construction of the tangible capital asset including transportation costs, installation costs, design and engineering fees, legal fees and site preparation costs. Contributed tangible capital assets are recorded at fair value at the time of the donation, with a corresponding amount recorded as revenue. Amortization is recorded on a declining balance basis commencing once the asset is available for productive use as follows:</p> <table><tr><td>Buildings</td><td>5%</td></tr><tr><td>Automotive equipment</td><td>30%</td></tr><tr><td>Computer equipment</td><td>30%</td></tr><tr><td>Office furniture and equipment</td><td>20%</td></tr></table> <p>Tangible capital assets are written down when conditions indicate that they no longer contribute to the 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 statement of operations.</p> | Buildings | 5% | Automotive equipment | 30% | Computer equipment | 30% | Office furniture and equipment | 20% |
| Buildings                        | 5%   |           |    |                      |     |                    |     |                                |     |
| Automotive equipment             | 30%  |           |    |                      |     |                    |     |                                |     |
| Computer equipment               | 30%  |           |    |                      |     |                    |     |                                |     |
| Office furniture and equipment   | 20%  |           |    |                      |     |                    |     |                                |     |
| <b>Portfolio Investments</b>     | Portfolio investments are recorded at cost. Portfolio investments are written down when there has been a decline other than temporary in value. Earnings from portfolio investments are recorded on the accrual basis.   |           |    |                      |     |                    |     |                                |     |
| <b>Investments</b>               | Investments are recorded at cost and are written down when there has been a decline other than temporary in value. Investments classified as government business enterprises and government business partnerships are accounted for using the modified equity basis.   |           |    |                      |     |                    |     |                                |     |

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## Ross River Dena Council Summary of Significant Accounting Policies

**March 31, 2017**

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|                              |  |
|------------------------------|--|
| <b>Revenue Recognition</b>   | Revenue is recognized as it becomes receivable under the terms of the applicable funding agreements. Funding received under the funding arrangements which relates to a subsequent fiscal period is reflected as deferred revenue in the year of receipt and classified as such on the statement of financial position. Surplus funds determined by the funder to be repayable will be recorded as a charge against accumulated surplus in the year that the amount becomes payable or can be reasonably determined. |
| <b>Budget Amounts</b>        | During the current fiscal year a budget for certain agreements were approved by Council but no annual budget was approved by Council for the First Nation as a whole.  |
| <b>Use of Estimates</b>      | The preparation of financial statements in accordance with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from management's best estimates as additional information becomes available in the future.  |
| <b>Administration Fees</b>   | Administration fees are charged to the various programs by the Band Support Program.   |
| <b>Financial Instruments</b> | The First Nation's financial instruments consist of cash and cash equivalents, accounts receivable, grants receivable, investments, accounts payable and accrued liabilities, bank indebtedness, and long-term debt. Unless otherwise indicated, it is management's opinion that the First Nation is not exposed to any significant interest, credit or currency risks arising from these financial instruments  |

## Ross River Dena Council Notes to Financial Statements

**March 31, 2017**

### 1. Accounts Receivable

|                                 | <u>2017</u>       | <u>2016</u>       |
|---------------------------------|-------------------|-------------------|
| Accounts receivable             | \$ 154,784        | \$ 122,145        |
| GST receivable                  | 235,727           | 68,643            |
| Due from employees              | 43,118            | 43,118            |
|                                 | <u>433,629</u>    | <u>233,906</u>    |
| Allowance for doubtful accounts | (90,250)          | (90,250)          |
|                                 | <u>\$ 343,379</u> | <u>\$ 143,656</u> |

### 2. Grants receivable

|  | <u>2017</u>       | <u>2016</u>       |
|--|-------------------|-------------------|
| Aboriginal Affairs and Northern Development Canada | \$ 501,579        | \$ 825,849        |
| Selwyn   | 8,097             | 8,097             |
| Yukon Government                                   | 43,495            | 81,124            |
| Council of Yukon First Nations                     | 13,729            | -                 |
|  | <u>\$ 566,900</u> | <u>\$ 915,070</u> |

### 3. Portfolio Investments

The portfolio investments are measured at cost but they have been written down to nil. The costs and market values of the investments are as follows:

|                                      | <u>Market Value</u> | <u>Cost</u> |
|--------------------------------------|---------------------|-------------|
| Veris Gold Corp                      | \$ -                | \$ 842,929  |
| Impairment of Veris Gold Corp shares | -                   | (842,929)   |
| Silver Metals Inc.                   | -                   | 20,200      |
| Impairment of Silver Metals Inc.     | -                   | (20,200)    |
|                                      | <u>\$ -</u>         | <u>\$ -</u> |

## Ross River Dena Council Notes to Financial Statements

**March 31, 2017**

### 4. Investments

|   | <b>2017</b>              | 2016                     |
|---|--------------------------|--------------------------|
| Yukon Indian Development Corporation, at cost (6.2%)        | <b>\$ 66,000</b>         | \$ 66,000                |
| Advances to Yukon Indian Development Corporation            | <b>70,981</b>            | 70,981                   |
| Kaska Drilling Limited Partnership, at cost, inactive (20%) | <b>1</b>                 | 1                        |
| Akita/Kaska Drilling Ltd., at cost, inactive (20%)          | <b>1</b>                 | 1                        |
| Dena Nezziddi Development Corporation (100%)                | <b>66,984</b>            | 124,326                  |
| Tu Lidlini Petroleum Corporation (51%)                      | <b>245,170</b>           | 29,554                   |
| Kaska Oil and Gas Services Limited Partnership (20%)        | <b>159,619</b>           | 159,619                  |
|   | <b><u>\$ 608,756</u></b> | <b><u>\$ 450,482</u></b> |

100% of the outstanding common shares of Ross River Dena Development Corporation, Dena Nezziddi Development Corporation, and 51% of Tu Lidlini Petroleum Corporation are owned by Ross River Dena Council. The First Nation accounts for its investments on the modified equity basis. Ross River Dena Development Corporation is inactive and has operating deficits. Consequently, the investment has been written down to nil to reflect its net realizable value. Kaska Oil and Gas Services Limited Partnership is accounted for using the modified equity method. Yukon Indian Development Corporation and Akita/Kaska Drilling Ltd. are accounted for on a cost basis.

The financial information for Tu Lidlini Petroleum Corporation is presented for the year ended March 31, 2017. To March 31, 2017, Tu Lidlini Petroleum Corporation had assets of \$1,263,412 (2016 - \$781,174), liabilities of \$470,331 (2016 - \$297,784), share capital of \$400, contributed surplus of \$312,356 (2016 - \$312,356), and an accumulated surplus of \$480,325 (2016 - \$170,634). These amounts are unaudited.

The financial information for Dena Nezziddi Development Corporation is presented for the year ending March 31, 2017. To March 31, 2017, Dena Nezziddi Development Corporation had assets of \$713,086 (2016 - \$769,686), liabilities of \$616,102 (2016 - \$615,360), share capital of \$1, contributed surplus of \$30,000 (2016 - \$30,000), and an accumulated surplus of \$66,984 (2016 - \$124,326). These amounts are unaudited.

**Ross River Dena Council**  
**Notes to Financial Statements**

**March 31, 2017**

**5. Tangible Capital Assets**

|  | Land       | Buildings     | Automotive<br>Equipment | Computer<br>Equipment | Office furniture<br>and equipment | 2017<br>Total | 2016<br>Total |
|--|------------|---------------|-------------------------|-----------------------|-----------------------------------|---------------|---------------|
| Cost, beginning of year                        | \$ 59,816  | \$ 10,898,724 | \$ 370,335              | \$ 96,425             | \$ 606,129                        | \$ 12,031,429 | \$ 12,031,429 |
| Additions                                      | 289,974    | 1,741,211     | -                       | -                     | -                                 | 2,031,185     | -             |
| Cost, end of year                              | 349,790    | 12,639,935    | 370,335                 | 96,425                | 606,129                           | 14,062,614    | 12,031,429    |
| Accumulated amortization,<br>beginning of year | -          | 6,090,406     | 311,264                 | 84,131                | 563,915                           | 7,049,716     | 6,808,231     |
| Amortization                                   | -          | 193,575       | 17,721                  | 3,688                 | 8,443                             | 223,427       | 241,485       |
| Accumulated amortization,<br>end of year       | -          | 6,283,981     | 328,985                 | 87,819                | 572,358                           | 7,273,143     | 7,049,716     |
| Net book value, end of year                    | \$ 349,790 | \$ 6,355,954  | \$ 41,350               | \$ 8,606              | \$ 33,771                         | \$ 6,789,471  | \$ 4,981,713  |

The net book value of tangible capital assets not being amortized because they are under construction or development is \$1,679,100 (2016 - nil)

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## Ross River Dena Council Notes to Financial Statements

**March 31, 2017**

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### 6. Long term debt

|  | <u>2017</u> | <u>2016</u>      |
|--|-------------|------------------|
| Development loan from Yukon Zinc, repayable up to a maximum of 25% from the annual Community Support Initiative payments from Yukon Zinc. The loan was forgiven during the year. | \$ -        | \$ 72,200        |
| Ford Credit, repaid during the year.   | -           | 22,817           |
|  | <u>\$ -</u> | <u>\$ 95,017</u> |

### 7. Economic Dependence

The Ross River Dena Council receives a major portion of its revenue pursuant to funding arrangements with the governments of Canada and Yukon.

### 8. Related Party Transactions

During the year the First Nation purchased fuel from Tu-Lidlini Petroleum Corporation (51% ownership held in trust) in the amount of \$335,235 (2016 - \$321,561). The First Nation received funds from Dena Nezziddi Development Corporation (100% ownership) in the amount of \$6,000 (2016 - \$18,000) for rent and to cover operating deficits. These transactions are in the normal course of operations and have been valued in these financial statements at the exchange amount which is the amount of consideration established and agreed to by the related parties.



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## **Ross River Dena Council**

### **Notes to Financial Statements**

**March 31, 2017**

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#### **9. Segmented Information**

The First Nation is an organization that provides a wide range of services to its citizens. Distinguishable functional segments have been separately disclosed in the segmented information. The nature of the segments and the activities they encompass are as follows:

**Education:**

This department provides programs and services to the First Nation citizens for K - 12 school support, post secondary program advising and support, and daycare programs.

**Heritage, Lands and Resources:**

The mission of the department is to protect and enhance the cultural identity, traditional values and lifestyle of the First Nation's citizens.

**Health and Social Development:**

This department directs the activities of the health programs by planning, monitoring and evaluating the areas of income assistance, individual case management, elders fuel benefits, community care, elders programs, youth programs, recreation, family health, health promotion and counselling services.

**Housing, Property Management and Municipal:**

The department is responsible for the managing services to the First Nation rental, subsidy and CMHC housing, maintaining community infrastructure, community buildings and roads, and new construction and renovation projects.

**Finance and Executive:**

This department is responsible for managing and carrying out the financial affairs of the First Nation, including managing and administration of the consolidated revenue fund and all revenues and expenditures of the First Nation.

## 9. Segmented Information (continued)

### Ross River Dena Council Schedule of Financial Activities and Surplus

| March 31, 2017                  | Education | Heritage, Lands<br>& Resources | Health & Social<br>Development | Housing, Property<br>Management<br>& Municipal | Finance &<br>Executive | Total        |
|---------------------------------|-----------|--------------------------------|--------------------------------|--|------------------------|--------------|
| <b>Revenue</b>                  |           |                                |                                |  |                        |              |
| Aboriginal Affairs              | \$ 60,615 | \$ 129,809                     | \$ 2,293,557                   | \$ 3,563,599                                   | \$ 448,550             | \$ 6,496,130 |
| Government of Canada            | 25,000    | -                              | 675,166                        | -  | -                      | 700,166      |
| Yukon Government                | 17,320    | 303,615                        | 92,115                         | 25,000   | -                      | 438,050      |
| Investment                      | -         | -                              | -                              | -  | 158,274                | 158,274      |
| Administration fees             | -         | 23,549                         | -                              | -  | 167,027                | 190,576      |
| Other                           | 100,846   | 409,115                        | 33,487                         | 60,800   | 118,023                | 722,271      |
|                                 | 203,781   | 866,088                        | 3,094,325                      | 3,649,399                                      | 891,874                | 8,705,467    |
| <b>Expenses</b>                 |           |                                |                                |  |                        |              |
| Administration                  | 26,598    | 60,645                         | 83,525                         | 19,809   | -                      | 190,577      |
| Advertising                     | -         | -                              | 229                            | -  | 2,098                  | 2,327        |
| Amortization                    | -         | -                              | -                              | -  | 223,427                | 223,427      |
| Bad debts                       | -         | 28,410                         | -                              | -  | 24,756                 | 53,166       |
| Bank charges                    | -         | 167                            | 938                            | -  | 8,426                  | 9,531        |
| Benefits - CPP                  | -         | -                              | -                              | -  | 24,510                 | 24,510       |
| Client services                 | 1,225     | -                              | -                              | -  | -                      | 1,225        |
| Assistance - program            | 2,450     | 20,005                         | 2,064,204                      | -  | -                      | 2,086,659    |
| Consulting fees                 | -         | 143,616                        | 5,105                          | 227,083  | 7,082                  | 382,886      |
| Equipment rental                | -         | 4,000                          | -                              | 2,949  | -                      | 6,949        |
| Fuel                            | -         | 18,201                         | 23,760                         | -  | -                      | 41,961       |
| Honorarium                      | 4,000     | 60,150                         | 19,500                         | -  | 138,621                | 222,271      |
| Insurance                       | -         | 662                            | 2,016                          | 10,892   | 8,734                  | 22,304       |
| License, fees and dues          | -         | -                              | -                              | 891  | -                      | 891          |
| Materials and supplies          | 3,605     | 13,599                         | -                              | 106,229  | -                      | 123,433      |
| Office                          | 10,400    | 43,283                         | 87,377                         | 64,391   | (6,370)                | 199,081      |
| Photocopying and printing       | -         | -                              | 368                            | -  | 2,756                  | 3,124        |
| Postage and freight             | -         | -                              | 2,082                          | 2,496  | 2,855                  | 7,433        |
| Professional fees               | -         | 250                            | -                              | 2,425  | 19,395                 | 22,070       |
| Rent                            | -         | 27,624                         | 18,900                         | 750  | -                      | 47,274       |
| Repairs and maintenance         | -         | 5,600                          | -                              | 38,459   | 18,065                 | 62,124       |
| Technical support               | -         | 120                            | -                              | -  | -                      | 120          |
| Telephone                       | -         | 2,187                          | 21,777                         | -  | 25,696                 | 49,660       |
| Training                        | 51,861    | 15,268                         | 700                            | -  | 2,484                  | 70,313       |
| Travel                          | 27,261    | 174,434                        | 62,705                         | 4,158  | 39,505                 | 308,063      |
| Utilities and fuel              | -         | -                              | 3,851                          | 90,025   | -                      | 93,876       |
| Vehicle                         | 1,050     | 7,111                          | 22,085                         | 30,866   | 6,299                  | 67,411       |
| Wages and benefits              | 67,749    | 139,568                        | 654,102                        | 958,360  | 418,191                | 2,237,970    |
| Workshops and meetings          | 1,804     | 27,805                         | 111,905                        | 300  | -                      | 141,814      |
|                                 | 198,003   | 792,705                        | 3,185,129                      | 1,560,083                                      | 966,530                | 6,702,450    |
| <b>Annual surplus (deficit)</b> | 5,778     | 73,383                         | (90,804)                       | 2,089,316                                      | (74,656)               | 2,003,017    |

## 9. Segmented Information (continued)

Ross River Dena Council  
Schedule of Financial Activities and Surplus

| March 31, 2016                  | Education      | Heritage, Lands<br>and<br>Resources | Health and<br>Social<br>Development | Housing, Property<br>Management<br>and Municipal | Finance and<br>Executive | Total            |
|---------------------------------|----------------|-------------------------------------|-------------------------------------|--|--------------------------|------------------|
| <b>Revenue</b>                  |                |                                     |                                     |  |                          |                  |
| Aboriginal Affairs              | \$ 69,615      | \$ 231,535                          | \$ 1,814,003                        | \$ 1,196,777                                     | \$ 435,124               | \$ 3,747,054     |
| Government of Canada            | 22,400         | -                                   | 672,406                             | -  | -                        | 694,806          |
| Yukon Government                | 18,048         | 388,440                             | 87,225                              | 84,977   | -                        | 578,690          |
| Investment                      | -              | -                                   | -                                   | -  | (24,228)                 | (24,228)         |
| Administration fees             | -              | -                                   | -                                   | -  | 113,988                  | 113,988          |
| Other                           | 446,569        | 305,156                             | 26,900                              | 85,177   | 137,063                  | 1,000,865        |
|                                 | <u>556,632</u> | <u>925,131</u>                      | <u>2,600,534</u>                    | <u>1,366,931</u>                                 | <u>661,947</u>           | <u>6,111,175</u> |
| <b>Expenses</b>                 |                |                                     |                                     |  |                          |                  |
| Administration                  | 33,773         | 32,235                              | 48,951                              | 3,000  | -                        | 117,959          |
| Advertising                     | -              | -                                   | 261                                 | -  | 3,170                    | 3,431            |
| Amortization                    | -              | -                                   | -                                   | -  | 241,485                  | 241,485          |
| Bad debts                       | -              | 20,694                              | -                                   | -  | 593                      | 21,287           |
| Bank charges                    | -              | 190                                 | 865                                 | -  | 2,244                    | 3,299            |
| Client services                 | 3,905          | -                                   | -                                   | -  | -                        | 3,905            |
| Compassionate Care              | -              | 9,886                               | 1,487,455                           | -  | -                        | 1,497,341        |
| Consulting fees                 | -              | 174,136                             | 2,501                               | 70,025   | 22,051                   | 268,713          |
| Contribution agreement          | 21,441         | -                                   | -                                   | -  | -                        | 21,441           |
| Equipment rental                | -              | 500                                 | -                                   | 562  | -                        | 1,062            |
| Fuel                            | -              | 17,049                              | 25,000                              | -  | -                        | 42,049           |
| Honorarium                      | (479)          | 8,400                               | 150                                 | -  | 131,250                  | 139,321          |
| Insurance                       | -              | 662                                 | 753                                 | 10,144   | 8,734                    | 20,293           |
| License, fees and dues          | -              | -                                   | -                                   | 185  | -                        | 185              |
| Materials and supplies          | 4,250          | 778                                 | -                                   | 79,508   | -                        | 84,536           |
| Office                          | 15,386         | 28,303                              | 59,128                              | 54,384   | 107,841                  | 265,042          |
| Photocopying and printing       | -              | -                                   | 1,445                               | -  | 2,877                    | 4,322            |
| Postage and freight             | -              | 145                                 | 2,092                               | 2,276  | 1,976                    | 6,489            |
| Professional fees               | -              | 3,376                               | -                                   | -  | 59,836                   | 63,212           |
| Rent                            | -              | -                                   | 18,200                              | -  | -                        | 18,200           |
| Repairs and maintenance         | -              | -                                   | 2,134                               | 153,794  | -                        | 155,928          |
| Telephone                       | -              | 1,258                               | 19,331                              | -  | 26,197                   | 46,786           |
| Training                        | 86,404         | 14,608                              | 5,633                               | -  | 21,879                   | 128,524          |
| Travel                          | 29,176         | 159,701                             | 56,278                              | 26,157   | 43,641                   | 314,953          |
| Utilities and fuel              | -              | -                                   | 4,517                               | 59,753   | -                        | 64,270           |
| Vehicle                         | 1,850          | 6,369                               | 23,161                              | 68,059   | 6,871                    | 106,310          |
| Wages and benefits              | 71,155         | 198,468                             | 627,746                             | 320,410  | 520,468                  | 1,738,247        |
| Workshops and meetings          | 286,650        | 7,750                               | 104,650                             | -  | 700                      | 399,750          |
|                                 | <u>553,511</u> | <u>684,508</u>                      | <u>2,490,251</u>                    | <u>848,257</u>                                   | <u>1,201,813</u>         | <u>5,778,340</u> |
| <b>Annual surplus (deficit)</b> | \$ 3,121       | \$ 240,623                          | \$ 110,283                          | \$ 518,674                                       | \$ (539,866)             | \$ 332,835       |

## Ross River Dena Council Notes to Financial Statements

**March 31, 2017**

### 10. Accumulated Surplus

|                      | 2017                | 2016                |
|----------------------|---------------------|---------------------|
| Operating surplus    | \$ 195,967          | \$ 283,731          |
| Capital asset equity | 6,789,471           | 4,958,896           |
| Investments equity   | 608,756             | 450,482             |
|                      | <b>\$ 7,594,194</b> | <b>\$ 5,693,109</b> |

#### Change in operating surplus:

|   | 2017              | 2016              |
|---|-------------------|-------------------|
| Balance, beginning of year                  | \$ 283,731        | \$ (198,049)      |
| Surplus for the year before repayment       | 2,003,017         | 332,835           |
| Repayment of surplus                        | (101,932)         | (106,827)         |
| Transfer from capital and investment equity | (1,988,849)       | 255,772           |
| Balance, end of year                        | <b>\$ 195,967</b> | <b>\$ 283,731</b> |

#### Change in capital asset equity:

|                                       | 2017                | 2016                |
|---------------------------------------|---------------------|---------------------|
| Balance, beginning of year            | \$ 4,958,896        | \$ 5,178,209        |
| Investment in capital assets          | 2,031,185           | -                   |
| Principal repayment of long term debt | 22,817              | 22,172              |
| Amortization of capital assets        | (223,427)           | (241,485)           |
| Balance, end of year                  | <b>\$ 6,789,471</b> | <b>\$ 4,958,896</b> |

#### Change in investments equity:

|                                 | 2017              | 2016              |
|---------------------------------|-------------------|-------------------|
| Balance, beginning of year      | \$ 450,482        | \$ 486,941        |
| Change in equity in investments | 158,274           | (36,459)          |
| Balance, end of year            | <b>\$ 608,756</b> | <b>\$ 450,482</b> |

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## **Ross River Dena Council**

### **Notes to Financial Statements**

**March 31, 2017**

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#### **11. Land Claims Negotiation and Transboundary Programs**

In prior years, the First Nation received funds from the Government of Canada and other organizations for land claims negotiations. These amounts were included in revenue and have not been recorded as liabilities as it was anticipated that they would be offset against future land claims settlements.

The amounts under the terms of a funding agreement with Canada are \$2,300,000 plus interest of \$450,358 with respect to the land claim negotiation program and \$670,000 with respect to the transboundary program. An amount of \$3,800,606 plus interest of \$2,607,888 is with respect to amounts paid to the Council of Yukon First Nations for the First Nation, and \$1,270,002 plus interest of \$691,968 is with respect to loans to the Council of Yukon First Nations for Ross River Elders. The amounts are payable at the effective date a treaty is signed and will be deducted from any eventual land claim settlement.

The repayable amount of \$3,800,606 plus interest of \$2,607,888 with respect to loans to the Council of Yukon First Nations for the First Nation is being disputed by the First Nation and is currently the subject of litigation in the Supreme Court of Yukon. The outcome of this litigation is not determinable.

The First Nation also received \$191,700 in 2002 from the Kaska Dena Council, (of which the First Nation is a member), to enable the First Nation to prepare for, and participate in, the British Columbia Treaty Process. The amount is payable on the earliest of the following dates: the date a treaty signed by the negotiating parties takes effect, the twelfth anniversary of the date of the first loan advance by Canada to Kaska Dena Council, the seventh anniversary after the signing of an agreement in principle or the date the federal minister demands payment, from the Kaska Dena Council, due to default. These amount will be deducted from any eventual land claim settlement.

#### **12. Contaminated Sites**

The First Nation has adopted the new Public Sector Accounting Standard PS3260 Contaminated Sites. The new standard can be applied retroactively or prospectively, and the First Nation has elected to apply it prospectively.

Under PS3260 governments are required to accrue a liability for the costs to remediate a contaminated site. Liabilities are recognized when an environmental standard exists, contamination exceeds the standard, the government has responsibility for remediation, future economic benefits will be given up and a reasonable estimate can be made.

Management has assessed its potential liabilities under the new standard including sites that are no longer in productive use and sites which the First Nation accepts responsibility. There were no such sites that had contamination in excess of an environmental standard which required remediation by the First Nation at this time, therefore no liability was recognized on transition as at April 1, 2014 or at March 31, 2017.