

Fort Nelson First Nation
Consolidated Financial Statements
March 31, 2016

Fort Nelson First Nation

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For the year ended March 31, 2016

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Management's Responsibility

To the Members of Fort Nelson First Nation:

The accompanying consolidated financial statements of Fort Nelson First Nation are the responsibility of management and have been approved by the Chief and Council.

Management is responsible for the preparation and presentation of the accompanying consolidated financial statements, including responsibility for significant accounting judgments and estimates in accordance with Canadian public sector accounting standards. This responsibility includes selecting appropriate accounting principles and methods, and making decisions affecting the measurement of transactions in which objective judgment is required.

In discharging its responsibilities for the integrity and fairness of the consolidated financial statements, management designs and maintains the necessary accounting systems and related internal controls to provide reasonable assurance that transactions are authorized, assets are safeguarded and financial records are properly maintained to provide reliable information for the preparation of consolidated financial statements.

The Fort Nelson First Nation Council is responsible for overseeing management in the performance of its financial reporting responsibilities, and for approving the consolidated financial statements. The Council fulfils these responsibilities by reviewing the financial information prepared by management and discussing relevant matters with management and external auditors. The Council is also responsible for recommending the appointment of the Nation's external auditors.

MNP LLP is appointed by the Council on behalf of the Members to audit the consolidated financial statements and report directly to them; their report follows. The external auditors have full and free access to, and meet periodically and separately with, both the Council and management to discuss their audit findings.

July 28, 2016

signature on file

Chief Councillor

signature on file

Councillor

Independent Auditors' Report

To the Members of Fort Nelson First Nation:

We have audited the accompanying consolidated financial statements of Fort Nelson First Nation, which comprise the consolidated statement of financial position as at March 31, 2016, and the consolidated statements of operations and accumulated surplus (deficit), remeasurement gains and losses, changes in net financial assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

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

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 entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

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

Basis for Qualified Opinion

One of Fort Nelson First Nation's controlled organizations consolidated in the financial statements derives a portion of its revenue from cash sales, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the organization and we were not able to determine whether any adjustments might be necessary to cash revenues, accumulated surplus (deficit), assets and net assets.

Qualified Opinion

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, the consolidated financial statements present fairly, in all material respects, the financial position of Fort Nelson First Nation as at March 31, 2016 and the results of its operations including remeasurement gains and losses, changes in net financial assets and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Kelowna, British Columbia

July 28, 2016

MNP LLP

Chartered Professional Accountants

Fort Nelson First Nation
Consolidated Statement of Financial Position
As at March 31, 2016

	2016	<i>2015 Restated Note 22</i>
Financial assets		
Cash (Note 4)	4,970,702	13,611,020
Portfolio investments (Note 5)	16,984,451	5,623,323
Funds held in trust (Note 6)	16,556,913	16,102,049
Accounts receivable (Note 7)	2,810,243	2,736,818
Inventory for resale	66,313	86,830
Investment in partnership (Note 8)	4,373,795	4,250,286
Investments in First Nation business entities (Note 9)	10,522,717	18,843,274
Investment in First Nation business partnership (Note 9)	32,391	44,472
Total of financial assets	56,317,525	61,298,072
Liabilities		
Accounts payable and accruals (Note 10)	2,934,622	2,354,586
Deferred revenue (Note 11)	387,293	417,910
Mortgage advance (Note 12)	736,788	-
Promissory notes payable (Note 13)	157,708	157,708
Long-term debt (Note 14)	1,298,468	1,383,010
Total of liabilities	5,514,879	4,313,214
Net financial assets	50,802,646	56,984,858
Commitments (Note 17)		
Contingent liabilities (Note 18)		
Non-financial assets		
Tangible capital assets (Schedule 1)	31,087,772	31,223,149
Prepaid expenses	82,519	89,708
Total non-financial assets	31,170,291	31,312,857
Accumulated surplus (Note 21)	81,972,937	88,297,715

Approved on behalf of the Council

signature on file

**Chief
Councillor**

signature on file

Councillor

Fort Nelson First Nation

Consolidated Statement of Operations and Accumulated Surplus (Deficit)

For the year ended March 31, 2016

	<i>Schedules</i>	<i>2016 Budget</i>	<i>2016</i>	<i>2015 Restated Note 22</i>
Revenue				
Indigenous and Northern Affairs Canada		3,196,959	3,972,038	5,913,957
Province of British Columbia		3,468,090	3,006,562	3,165,055
First Nations Health Authority		876,876	970,557	808,756
First Nations Education Steering Committee		449,000	222,773	360,797
North East Native Advancing Agency		85,800	144,754	151,796
Government of Canada		-	115,994	73,813
Department of Justice Canada		73,630	78,485	74,630
BC Hydro		48,000	14,864	31,451
Canada Mortgage and Housing Corporation		82,266	82,266	82,266
Income from investment in partnership		2,592,017	1,781,163	3,416,189
Income from portfolio investments		-	221,515	214,404
Interest income		692,100	454,323	530,276
Loss from investments in First Nation business entities		-	(3,017,544)	(408,379)
Income from investment in First Nation business partnership		-	31,269	13,072
Other revenue		835,097	3,098,996	4,325,956
Property taxation		40,000	6,775	60,000
Rental income		218,262	221,213	203,042
		12,658,097	11,406,003	19,017,081
Program expenses				
Administration	3	2,518,308	2,636,858	2,593,641
Capital	4	1,539,781	2,693,127	2,507,602
Capital Projects	5	-	116,042	244,692
Child Development	6	631,900	665,512	559,723
Economic Development	7	201,910	200,250	297,442
Education	8	3,366,910	4,272,239	3,742,885
Health	9	977,887	1,124,202	1,088,881
Housing	10	428,436	598,469	522,363
Lands Resources	11	1,658,245	1,460,156	2,343,777
Other Investments	12	20,999	1,630,971	1,461,652
Social Services	13	1,434,441	1,271,550	1,273,886
		12,778,817	16,669,376	16,636,544
Surplus (deficit)		(120,720)	(5,263,373)	2,380,537
Accumulated surplus, beginning of year, as previously stated		87,287,633	87,287,633	85,359,855
Correction of an error (Note 22)		300,762	300,762	168,003
Accumulated surplus, beginning of year, as restated		87,588,395	87,588,395	85,527,858
Minors incentive payment		-	(300,000)	(320,000)
Trust settlement		-	(468,765)	-
Accumulated surplus (deficit), end of year		87,467,675	81,556,257	87,588,395

The accompanying notes are an integral part of these financial statements

Fort Nelson First Nation
Consolidated Statement of Remeasurement Gains and Losses
For the year ended March 31, 2016

	2016	2015
Accumulated remeasurement gains, beginning of year	709,320	305,368
Unrealized gains (losses) attributable to:		
Foreign exchange	63,887	216,898
Portfolio investments	(197,943)	362,360
Amounts reclassified to the statement of operations:		
Portfolio investments	(158,584)	(175,306)
Accumulated remeasurement gains, end of year	416,680	709,320

Fort Nelson First Nation
Consolidated Statement of Changes in Net Financial Assets
For the year ended March 31, 2016

	2016 <i>Budget</i>	2016	2015 <i>Restated Note 22</i>
Surplus (deficit)	(120,720)	(5,263,373)	2,380,537
Purchases of tangible capital assets	(362,205)	(2,259,443)	(2,313,829)
Amortization of tangible capital assets	-	2,278,778	2,103,168
Proceeds from sale of tangible capital assets	-	-	500
Loss on disposal of tangible capital assets	-	116,042	39,320
Asset impairment loss	-	-	149,532
Minors Incentive Payment	-	(300,000)	(320,000)
Correction of an error (Note 22)	-	-	168,003
Trust settlement	-	(468,765)	-
Use of prepaid expenses	-	7,189	79,994
Change in remeasurement gains (losses) for the year	-	(292,640)	403,952
Decrease in net financial assets	(482,925)	(6,182,212)	2,691,177
Net financial assets, beginning of year	56,984,858	56,984,858	54,293,681
Net financial assets, end of year	56,501,933	50,802,646	56,984,858

The accompanying notes are an integral part of these financial statements

Fort Nelson First Nation
Consolidated Statement of Cash Flows
For the year ended March 31, 2016

	2016	2015 <i>Restated Note 22</i>
Cash provided by (used for) the following activities		
Operating activities		
Surplus (deficit)	(5,263,373)	2,380,537
Non-cash items		
Amortization	2,278,778	2,103,168
Asset impairment loss	-	149,532
Loss on disposal of tangible capital assets	116,042	39,320
Unrealized foreign exchange gains on portfolio investments	63,887	216,898
Unrealized gains (losses) on portfolio investments	(197,943)	362,360
Realized gains on portfolio investments reclassified to the statement of operations	(158,584)	(175,306)
	(3,161,193)	5,076,509
Changes in working capital accounts		
Accounts receivable	(73,425)	1,393,608
Prepaid expenses	7,189	79,994
Accounts payable and accruals	580,036	7,167
Deferred revenue	(30,617)	(206,092)
Inventory for resale	20,517	(20,125)
	(2,657,493)	6,331,061
Financing activities		
Repayment of long-term debt	(84,542)	(430,467)
Proceeds from promissory note payable	-	66,887
Proceeds from mortgage advance	736,788	-
	652,246	(363,580)
Capital activities		
Purchases of tangible capital assets	(2,259,443)	(2,313,829)
Proceeds from sale of tangible capital assets	-	500
	(2,259,443)	(2,313,329)
Investing activities		
Increase in investment in partnership	(123,509)	-
Decrease in investment in partnership	-	193,866
Decrease in investments in First Nation business entities	8,320,557	930,735
Proceeds of funds held in trust	-	242,384
Increase in funds held in trust	(454,864)	-
Decrease in portfolio investments	-	2,549,359
Increase in portfolio investments	(11,361,128)	-
Decrease in investment in First Nation business partnership	12,081	-
Minors Incentive Payment	(300,000)	(320,000)
Trust settlement	(468,765)	-
	(4,375,628)	3,596,344
Increase (decrease) in cash resources	(8,640,318)	7,250,496
Cash resources, beginning of year	13,611,020	6,360,524
Cash resources, end of year	4,970,702	13,611,020

The accompanying notes are an integral part of these financial statements

1. Operations

The Fort Nelson First Nation (the "First Nation") is a First Nations village government located in the province of British Columbia. The First Nation is responsible for the well-being of its community and enacts legal policies and programs in the areas of Administration, Capital, Child Development, Economic Development, Lands, Education, Health, Housing, Social Services and Other Investments. The First Nation is also mandated to take actions to protect the well-being of members and the community and to establish cultural programs and undertake initiatives in economic development.

2. Significant accounting policies

These consolidated financial statements are the representations of management in accordance with Canadian public sector accounting standards as recommended by the Public Accounting Standards Board ("PSAB") of CPA Canada and are consistent with the accounting policies set out by the Department of Indigenous and Northern Affairs Canada. Significant accounting policies adopted by the First Nation are as follows:

Reporting entity

The financial statements consolidate the financial activities of all entities and departments comprising the First Nation reporting entity, except for First Nation's business entities. Trusts administered on behalf of third parties by Fort Nelson First Nation are excluded from the First Nation reporting entity.

The First Nation has consolidated the assets, liabilities, revenue and expenses of the following entities and departments:

- Liard Hotsprings Lodge (FNFN) Ltd.
- FNFN Gravel Pits Ltd.
- Fort Nelson Indian Band Land Trust Society (inactive)

All inter-entity balances have been eliminated on consolidation.

Fort Nelson First Nation business entities, owned or controlled by the First Nation's Council but not dependent on the First Nation for their continuing operations, are included in the consolidated financial statements using the modified equity method. Under the modified equity method, the equity method of accounting is modified only to the extent that the business entity accounting principles are not adjusted to conform to those of the First Nation. Thus, the First Nation's investment in these entities is recorded at acquisition cost and is increased for the proportionate share of post acquisition earnings and decreased by post acquisition losses and distributions received. Entities accounted for by the modified equity basis include:

- 672465 B.C. Ltd.
- Eh Cho Dene GP Ltd.
- Eh Cho Dene Enterprises Limited Partnership
- Waterways Communication Limited Partnership
- Waterways Communication Inc. (inactive)

Financial instruments

The First Nation recognizes its financial instruments when the First Nation becomes party to the contractual provisions of the financial instrument. All financial instruments are initially recorded at their fair value.

At initial recognition, the First Nation may irrevocably elect to subsequently measure any financial instrument at fair value. The First Nation has not made such an election during the year.

The First Nation subsequently measures investments in equity instruments quoted in an active market and all derivative instruments, except those that are linked to, and must be settled by delivery of, unquoted equity instruments of another entity, at fair value. Fair value is determined by the published price quotations that are available in an open market. Transactions to purchase or sell these items are recorded on the trade date. Net gains and losses arising from changes in fair value are recognized in the statement of remeasurement gains and losses.

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

Transaction costs directly attributable to the origination, acquisition, issuance or assumption of financial instruments subsequently measured at fair value are immediately recognized in operating surplus. Conversely, transaction costs are added to the carrying amount for those financial instruments subsequently measured at cost or amortized cost.

All financial assets except derivatives are tested annually for impairment when there are indicators of impairment. Management considers whether the investee has experienced continued losses for a period of years, recent collection experience for the loan in determining whether objective evidence of impairment exists. Any impairment, which is not considered temporary, is recorded in the statement of operations. Write-downs of financial assets measured at cost and/or amortized cost to reflect losses in value are not reversed for subsequent increases in value. Reversals of any net remeasurements can occur, provided they are not greater than the amount that would have been reported at the date of reversal had the impairment not been previously recognized. In such instances these reversals are recognized in the statement of operations.

Portfolio investments

Portfolio investments with prices quoted in an active market are measured at fair value while those that are not quoted in an active market are measured at cost less impairment. Portfolio investments include a guaranteed investment certificate and equity instruments that either have no maturity dates or have a maturity of greater than three months at the time of acquisition, and an investment in a partnership for which there is no control. Changes in fair value of investments quoted in an active market are recorded in the consolidated statement of remeasurement gains (losses). Earnings from portfolio investments that are not quoted in an active market are recognized only to the extent received or receivable.

Inventory for resale

Inventory is valued at the lower of cost and net realizable value. Cost is determined by the weighted average method. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and selling costs.

Inventory held for resale is classified as a financial asset when all of the following criteria are met:

- Prior to March 31, 2016, the First Nation has committed to sell the asset;
- The asset is in a condition to be sold;
- The asset is publicly seen to be for sale;
- There is an active market for the asset;
- A plan exists for selling the asset; and
- A sale to a party external to the First Nation can reasonably be expected within one year.

Tangible capital assets

Tangible capital assets are initially recorded at cost based on historical cost accounting records. Contributed tangible assets are recorded at their fair value at the date of contribution. All intangibles and items inherited by right of the First Nation, such as reserve lands, forests, water, and mineral resources, are not recognized as assets in the First Nation's consolidated financial statements. Historic works of art and treasures are not recorded as assets in these consolidated financial statements.

Amortization

Social housing assets acquired under Canada Mortgage and Housing Corporation ("CMHC") sponsored programs are amortized over their estimated useful lives at a rate equivalent to the annual principal reduction in the related long-term debt. Assets under construction are not amortized until the asset becomes available for use. Amortization for other tangible capital assets is provided using the following methods at rates intended to amortize the cost of the assets over their estimated useful lives:

	Method	Rate
Buildings	straight-line	4 %
Automotive equipment	straight-line	10 %
Computer and office equipment	straight-line	10-20 %
Machinery and equipment	straight-line	10 %
Roads and land improvements	straight-line	4-8 %
Service installations	straight-line	5 %

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

Asset classification

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

Revenue recognition

Funding

Revenue is recognized as it becomes receivable under the terms of applicable funding agreements. Funding received under funding arrangements that relate to a subsequent fiscal period are reflected as deferred revenue on the consolidated statement of financial position in the year of receipt.

Government Transfers

The First Nation recognizes a government transfer as revenue when the transfer is authorized and all eligibility criteria, if any, have been met. A government transfer with stipulations giving rise to an obligation that meets the definition of a liability is recognized as a liability. In such circumstances, the First Nation recognizes revenue as the liability is settled. Transfers of non-depreciable assets are recognized in revenue when received or receivable.

Externally restricted revenue

The First Nation recognizes externally restricted inflows as revenue in the period the resources are used for the purpose specified in accordance with an agreement or legislation. Until this time, the First Nation records externally restricted inflows in deferred revenue.

Funds held in trust

The First Nation recognizes revenue of the Capital and Revenue Trust Fund at the time funds are contributed from the accounts held in Ottawa. Interest revenue is recognized when earned.

Other

Investment income reported on investments not subject to significant influence is recorded as revenue in the period earned.

Rental and other revenue is recognized when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Measurement uncertainty (Use of estimates)

The preparation of consolidated financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenue and expenses during the reporting period.

Accounts receivable are stated after evaluation as to their collectability and an appropriate allowance for doubtful accounts is provided where considered necessary. Amounts due from First Nation members and investments in First Nation business enterprises are stated after evaluation as to their collectability and recoverability and an appropriate allowance for impairment is provided where considered necessary. Deferred revenue is based upon estimates of unexpended amounts and amounts required to complete specific projects. Amortization is based on the estimated useful lives of tangible capital assets. Accounts payable to employees for annual vacation allotments are based upon estimates of the unused balance at the year-end. Liabilities for contaminated sites are estimated based on the best information available regarding potentially contaminated sites that the First Nation is responsible for. These estimates and assumptions are reviewed periodically and, as adjustments become necessary they are reported in operations in the periods in which they become known.

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

Liability for contaminated sites

Expenditures that relate to on-going environmental and remediation programs are charged against surplus (deficit) as incurred. A liability for contaminated sites reflects management's best estimate of the amount required to remediate the contaminated sites. The best estimate of the liability is based upon assumptions and estimates related to the amount and timing of costs for future site remediation.

Changes to the underlying assumptions and estimates or legislative changes in the near term could have a material impact on the provision recognized.

Funds held in trust

Funds held in trust on behalf of First Nation members by the Government of Canada in the Ottawa Trust Fund are reported on the consolidated statement of financial position with an offsetting amount in accumulated surplus. Trust moneys consist of:

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

Segments

The First Nation conducts its business through eleven reportable segments: Administration, Capital, Capital Projects, Child Development, Economic Development, Education, Health, Housing, Lands Resources, Other Investments and Social Services. These operating segments are established by senior management to facilitate the achievement of the First Nation's long-term objectives to aid in resource allocation decisions, and to assess operational performance.

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

The accounting policies used in these segments are consistent with those followed in the preparation of the consolidated financial statements as disclosed above.

Foreign currency translation

Transaction amounts denominated in foreign currencies are translated into their Canadian dollar equivalents at exchange rates prevailing at the transaction dates. Carrying values of monetary assets and liabilities and non-monetary items included in the fair value category reflect the exchange rates at the consolidated statement of financial position date. Unrealized foreign exchange gains and losses are recognized in the consolidated statement of remeasurement gains and losses.

In the period of settlement, foreign exchange gains and losses are reclassified to the consolidated statement of operations, and the cumulative amount of remeasurement gains and losses is reversed in the consolidated statement of remeasurement gains and losses.

Long-lived assets

Long-lived assets consist of tangible capital assets with finite useful lives. Long-lived assets held for use are measured and amortized as described in the applicable accounting policies.

The First Nation performs impairment testing on long-lived assets held for use whenever events or changes in circumstances indicate that the carrying amount of an asset, or group of assets, may not be recoverable. The carrying amount of a long-lived asset is not recoverable if the carrying amount exceeds the sum of the undiscounted future cash flows from its use and disposal. Impairment is measured as the amount by which the asset's carrying amount exceeds its fair value. Fair value is measured using prices for similar items. Any impairment is included in operations for the year.

3. Financial Instruments

The First Nation as part of its operations carries a number of financial instruments. It is management's opinion that the First Nation is not exposed to significant interest, currency or credit risks arising from these financial instruments except as otherwise disclosed.

Interest rate risk

Interest rate risk is the risk to the First Nation's earnings that arises from fluctuations in market interest rates and the degree of volatility of these rates. The First Nation does not use derivative instruments to reduce its exposure to interest rate risk. Management expects interest rates to remain relatively constant for the coming year and therefore considers the related risk to be low.

Market Risk

Market risk relates to the possibility that the equity investments will change in value due to future fluctuations in market prices. The First Nation does not use derivative instruments to reduce its exposure to market risk.

Fair Values

Due to their short-term nature, the carrying values of cash and cash equivalents, portfolio investments, accounts receivable, accounts payable, accrued liabilities and deferred revenue approximate their fair values. The terms and interest rates of the First Nation's long-term debt are similar to those currently offered for similar loans, therefore the carrying values of these loans are also considered to approximate their fair values.

4. Cash

Restricted cash

Included in cash are externally restricted funded reserves in the amount of \$313,645 (2015 - \$311,296).

Revolving line of credit

The First Nation has available a \$600,000 revolving line of credit and a \$400,000 bank overdraft with interest charged at the Scotiabank prime rate plus 1.5% and 1% per annum respectively. At March 31, 2016, the outstanding line of credit balance was \$NIL (2015 - \$NIL), and is secured by certain vehicles owned and a general security agreement over all present and future personal property with appropriate insurance coverage.

Subsequent to year-end the terms of the financing agreement were amended to a \$600,000 revolving line of credit and a \$250,000 bank overdraft with interest charged at the Scotiabank prime rate plus 0.75% and 0.5% per annum respectively. The same security agreement remains over both facilities.

Designated funds

Included in cash are designated funds in the amount of \$2,914,073 (2015 - \$2,914,073) that may only be used for the purpose of funding specific capital projects and cannot be used for any other purpose. These funds represent the unexpended portion of cash withdrawn from the Capital account within the Funds Held in Trust (Note 6). The capital projects have since been completed and the remaining surplus will be repaid to INAC for redeposit into the Capital account.

5. Portfolio investments

Included in portfolio investments are the following:

- externally restricted funds in the amount of \$300,000 (2015 - \$300,000) which include guaranteed investment certificates held as security for specific projects
- GIC in the amount of \$61,058 (2015 - \$61,053)
- Publicly traded securities with a market value of \$16,623,393 and an adjusted cost base of \$16,612,570

Fort Nelson First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2016

6. Funds held in trust

Funds held in trust include the Ottawa Trust accounts which arise from moneys derived from capital or revenue sources as outlined in Section 62 of the *Indian Act*. These funds are held in trust in the Consolidated Revenue Fund of the Government of Canada and are subject to audit by the Office of the Auditor General of Canada. The management of these funds is primarily governed by Sections 63 to 69 of the *Indian Act*. Capital and revenue trust moneys are transferred to the First Nation on the authorization of the Minister of Indigenous and Northern Affairs Canada, with the consent of the First Nation's Council.

	2016	2015
Capital Trust		
Balance, beginning of year	15,905,664	15,750,084
Additions	74,311	155,580
Balance, end of year	15,979,975	15,905,664
Revenue Trust		
Balance, beginning of year	196,385	594,349
Additions	380,553	438,188
Withdrawals	-	(836,152)
Balance, end of year	576,938	196,385
	16,556,913	16,102,049

7. Accounts receivable

	2016	2015 <i>Restated Note 22</i>
Indigenous and Northern Affairs Canada	154,943	16,884
First Nations Health Authority	-	2,855
Province of British Columbia	23,558	22,403
Due from members	948,879	1,057,597
Other receivables	2,551,637	2,526,921
Allowance for doubtful accounts	(868,774)	(889,842)
	2,810,243	2,736,818

8. Investment in partnership

The First Nation has an investment in a limited partnership representing 49.9% ownership of the partnership units. The limited partnership is accounted for as a portfolio investment and is not quoted in an active market. The balance includes the original cost plus accumulated distributions not yet received.

Fort Nelson First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2016

9. Investments in First Nation business entities and partnership

The First Nation has investments in the following entities:

					2016
	<i>Investment cost</i>	<i>Advances to (from)</i>	<i>Accumulated earnings (loss) in equity</i>	<i>Current earnings (loss) in equity</i>	<i>Total investment</i>
Wholly-owned Businesses:					
672465 B.C. Ltd.	1	21,650	493,550	(171,298)	343,903
Eh Cho Dene Enterprises Limited Partnership	4,864,103	(5,070,535)	13,224,282	(2,842,320)	10,175,530
Eh Cho Dene GP Ltd.	40	2,358	4,812	(3,926)	3,284
	4,864,144	(5,046,527)	13,722,644	(3,017,544)	10,522,717
First Nation Business Partnership – Modified Equity:					
Waterways Communications Limited Partnership - 51%	25,076	-	7,315	-	32,391
	4,889,220	(5,046,527)	13,729,959	(3,017,544)	10,555,108
					2015
	<i>Investment cost</i>	<i>Advances to (from)</i>	<i>Accumulated earnings (loss) in equity</i>	<i>Current earnings (loss) in equity</i>	<i>Total investment</i>
Wholly-owned Businesses:					
672465 B.C. Ltd.	1	24,663	681,058	(187,508)	518,214
Eh Cho Dene Enterprises Limited Partnership	4,864,103	229,466	13,444,090	(219,809)	18,317,850
Eh Cho Dene GP Ltd.	40	2,358	5,874	(1,062)	7,210
	4,864,144	256,487	14,131,022	(408,379)	18,843,274
First Nation Business Partnership – Modified Equity:					
Waterways Communications Limited Partnership - 51%	25,076	-	19,396	-	44,472
	4,889,220	256,487	14,150,418	(408,379)	18,887,746

Fort Nelson First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2016

9. Investments in First Nation business entities and partnership *(Continued from previous page)*

672465 B.C. Ltd. was established for the purpose of holding a 50% ownership in the operation of a drilling rig.

Eh Cho Dene Limited Partnership together with its general partner, Eh Cho Dene GL Ltd. was established to carry on road construction, site preparation and maintenance and land clearing for gas plants, hydro stations and right-of-ways.

Waterways Communications Limited Partnership was established is to carry on the business of providing communication products and services for resource companies operating within the Horn River Basin.

Summary financial information for each First Nation business entity, accounted for using the modified equity method, for their respective year-end is as follows:

	<i>672465 B.C. Ltd. As at March 31, 2016</i>	<i>Eh Cho Dene GP Ltd. As at March 31, 2016</i>	<i>Eh Cho Dene Enterprises Limited Partnership As at March 31, 2016</i>	<i>Waterways Communication s Limited Partnership As at March 31, 2016</i>
Assets				
Cash	67,530	-	5,232,224	51,399
Accounts receivable	1,047	-	639,344	260,593
Inventory	-	-	31,230	-
Corporate income tax recoverable	23,940	242	-	-
Prepaid expenses	-	-	51,730	-
Due from Partner	-	-	9,474	4,024
Investment in related entity	-	14,176	-	-
Property and equipment	388,835	-	4,513,071	-
Total assets	481,352	14,418	10,477,073	316,016
Liabilities				
Accounts payable and accruals	137,448	1,700	287,358	239,782
Due to related entity	-	11,792	-	-
Due to the First Nation	21,651	-	229,466	-
Corporate income tax payable	-	-	-	12,772
Total liabilities	159,099	13,492	516,824	252,554
	322,253	926	9,960,249	63,462
Total revenue	-	-	3,596,596	937,079
Total expenses	171,298	3,926	6,441,761	875,767
	(171,298)	(3,926)	(2,845,165)	61,312

9. Investments in First Nation business entities and partnership *(Continued from previous page)*

Investment in Eh Cho Dene Enterprises Limited Partnership notes:

Credit Facilities

Provided by The Bank of Nova Scotia, the Partnership has available for use the following credit facilities:

Operating credit line, to an authorized limit of \$750,000 to provide financing for general operating requirements. Advances are repayable upon demand and bear interest at the bank's prime lending rate plus 1.00% per annum with interest payable monthly.

ScotiaLine Visa, to an authorized limit of \$50,000, to assist with day to day expenses.

Revolving term loan and/or lease line, to an authorized limit of \$500,000, to assist with financing and/or leasing of equipment. Terms may be from 1 to 5 years. The term advances bear interest at the bank's prime lending rate plus 1.50% per annum with interest payable monthly. The lease line bears interest at the bank's prime lending rate plus 1.15%, per annum with interest payable monthly.

The security for the above mentioned facilities include the following:

General security agreement over all present and future personal property with appropriate insurance coverage payable to the bank;

Unlimited guarantee signed by the First Nation;

Unlimited guarantee signed by Eh Cho Dene GP Ltd.;

Unlimited postponement agreement signed by the First Nation; and

Specific fixed charges over certain pieces of equipment with appropriate insurance coverage.

The loans were not drawn upon at March 31, 2016 and 2015.

The Partnership is subject to financial covenants with respect to maintaining a debt service ratio and current ratio of no less than 1.25, and a debt to tangible net worth of no more than 2:1. As at March 31, 2016 the Partnership is in compliance with these covenants. It is management's opinion that the Partnership is likely to remain in compliance with all covenants throughout the next 12 months subsequent to March 31, 2016.

Subsequent to year end the debt was renegotiated and the facilities available to the Partnership are:

Overdraft, to an authorized limit of \$50,000 to provide financing for general operating requirements. Advances are repayable upon demand and bear interest at the bank's prime lending rate plus 0.50% per annum with interest payable monthly.

ScotiaLine Visa, to an authorized limit of \$50,000, to assist with day to day expenses.

Related Party Transactions

During the year, the Partnership billed revenues to recover costs incurred in the amounts of \$213,626 (2015 - \$226,866) to the First Nation. These transactions are in the normal course of operations and are recorded at the exchange amount.

Fort Nelson First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2016

10. Accounts payable and accruals

	2016	2015
Indigenous and Northern Affairs Canada	116,460	350,298
First Nations Health Authority	6,088	6,088
Province of British Columbia	68,684	68,684
Other accounts payable and accrued liabilities	2,743,390	1,929,516
	2,934,622	2,354,586

11. Deferred revenue

	<i>Balance, beginning of year</i>	<i>Revenue received (recovered)</i>	<i>Transferred to revenue</i>	<i>Balance, end of year</i>
Indigenous and Northern Affairs Canada	1,450	255,703	217,483	39,670
First Nations Health Authority	-	1,600	-	1,600
Province of British Columbia	269,438	72,250	141,625	200,063
Other deferred revenue	147,022	140,826	141,888	145,960
	417,910	470,379	500,996	387,293

12. Mortgage advance

The First Nation entered into an agreement with CMHC in which funds are advanced to assist in payment for the construction of housing. Advances under the mortgage are based on the progress of construction, up to the authorized mortgage amount of \$1,679,908.

These advances do not accrue interest until construction is fully completed, at which point the mortgage becomes due and payable. Once payable, the loan will be repayable in monthly instalments, with interest at 2.38% per annum over a term of 25 years.

13. Promissory notes payable

The promissory notes are payable to the Government of Canada as represented by Indigenous and Northern Affairs Canada. The funds are to be utilized for expenditures with respect to the research, development, and negotiation of its Specific Claim relating to the Trapline Registration Specific Claim. The first note of \$90,821 is non-interest bearing, unsecured and is due on the earlier of March 31, 2018 or the date on which the Specified Claim is settled. The second note of \$66,887 is non-interest bearing, unsecured and is due on the earlier of March 31, 2019 or the date on which the Specified Claim is settled.

14. Long-term debt

	2016	2015
CIBC mortgage payable - Mortgage repayable in monthly instalments of \$286, including interest at 4.30% per annum; due for renewal on May 1, 2018 and matures March 2023; guaranteed by Indigenous and Northern Affairs Canada.	16,399	19,062
Scotiabank mortgage payable - Mortgage repayable in monthly instalments of \$431 including interest at 3.995% per annum; due for renewal on May 15, 2023 and matures May 2032; guaranteed by Indigenous and Northern Affairs Canada.	61,417	64,097

Fort Nelson First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2016

All Nations Trust (3 units - Phase 1) (CMHC Full Program) - Mortgage repayable in monthly instalments of \$2,607, including interest at 1.53% per annum; due for renewal on December 1, 2017 and matures November 1, 2019; guaranteed by Indigenous and Northern Affairs Canada.	111,619	140,990
All Nations Trust (6 units - Phase 2) (CMHC Full Program) - Mortgage repayable in monthly instalments of \$2,388, including interest at 2.11% per annum; due for renewal on January 1, 2019 and matures December 1, 2028; guaranteed by Indigenous and Northern Affairs Canada.	320,891	342,598
All Nations Trust (3 units - Phase 3) (CMHC Full Program) - Mortgage repayable in monthly instalments of \$2,307, including interest at 1.44% per annum; due for renewal on July 1, 2017 and matures July 1, 2037; guaranteed by Indigenous and Northern Affairs Canada.	507,004	527,263
All Nations Trust (Mortgage) - Mortgage repayable in monthly instalments of \$507, including interest at 4.74% per annum; due for renewal on February 1, 2021 and matures February 1, 2036; guaranteed by Indigenous and Northern Affairs Canada.	78,900	81,043
All Nations Trust (Mortgage) - Mortgage repayable in monthly instalments of \$292, including interest at 4.99% per annum; due for renewal on January 1, 2020 and matures January 1, 2025; guaranteed by Indigenous and Northern Affairs Canada.	25,107	27,210
All Nations Trust (Mortgage) - Mortgage repayable in monthly instalments of \$1,134, including interest at 4.89% per annum; due for renewal on August 1, 2016 and matures August 1, 2036; guaranteed by Indigenous and Northern Affairs Canada.	177,131	180,747
	1,298,468	1,383,010

Principal repayments on long-term debt in each of the next five years, assuming all term debt is subject to contractual terms of repayment and long-term debt subject to refinancing is renewed, are estimated as follows:

2017	87,770
2018	89,721
2019	91,727
2020	83,525
2021	65,468

Interest expense on long-term debt amounted to \$35,014 (2015 - \$35,373).

15. Trust funds

The First Nation's revenue for the year included trust distributions of \$372,180 (2015 - \$495,391) and accounts receivable included \$1,083,071 (2015 - \$710,892) due from the Fort Nelson First Nation Future Generations Trust. As at March 31, 2016 the balance of funds held in the trust was \$5,016,508 (2015 - \$4,718,891) and the fair market value of the investments held in the trust was \$5,023,838 (2015 - \$5,139,078).

The First Nation's revenue for the year included trust distributions of \$385,573 (2015 - \$300,762) and accounts receivable included \$385,573 (2015 - \$468,765) due from the New Horizons Trust. As at March 31, 2016 the balance of funds held in the trust was \$7,262,398 (2015 - \$6,858,021) and the fair market value of the investments held in the trust was \$7,286,730 (2015 - \$7,501,603).

Fort Nelson First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2016

16. Fort Nelson First Nation Future Generations Society

The Fort Nelson First Nation Future Generations Society ("the Society"), a controlled organization acts as trustee to the Fort Nelson First Nation Future Generations Trust.

17. Commitments

The First Nation's total obligations under various operating leases for equipment are as follows:

2017	\$ 21,310
2018	20,888
2019	14,583
2020	<u>2,975</u>
	<u>\$ 59,756</u>

18. Contingent liabilities

The First Nation is contingently liable for member housing loans provided to individual members for loans made by various financial institutions for purposes of acquiring on reserve housing. In the event that members default on their obligations under these loans, the First Nation would be required to pay the outstanding loan balance to the lenders. In the event that the First Nation is unable to pay on any defaulted member loans, these loans are guaranteed by INAC. The First Nation's guarantee is itself secured by the related real properties.

As at March 31, 2016, the loans are analyzed as follows:

All Nations Trust Company	\$ 25,002
All Nations Trust Company	176,408
All Nations Trust Company	78,588
CIBC Mortgages Corporation	93,649
CIBC Mortgages Corporation	16,206
CIBC Mortgages Corporation	34,645
CIBC Mortgages Corporation	32,681
Peace Hills Trust	36,530
Scotia Mortgage Corporation	61,193
Scotia Mortgage Corporation	<u>6,860</u>
	<u>\$ 561,762</u>

The First Nation is a guarantor on an operating line of credit and a revolving term loan for Eh Cho Dene Enterprises Limited Partnership with authorized limits of \$750,000 and \$500,000 respectively. The balances of the operating line of credit and revolving term loan are \$NIL as at March 31, 2016.

The First Nation is contingently liable for costs associated with a contaminated site including the removal and replacement of a fuel tank on reserve land and the remediation of any soil contamination. The costs to remediate are uncertain and can vary depending on the extent of the environmental damage and in response to any changes in environmental standards. Accordingly, as at the date of these consolidated financial statements, the First Nation was unable to reasonably estimate the potential liability and no provision has been made in the consolidated financial statements.

One of the First Nation's consolidated entity's Liard Hotsprings Lodge (FNFN) Ltd. is contingently liable for decommissioning costs that will be incurred at the end of the operating life of the fuel tanks on the entity's property. The ultimate decommissioning liability is uncertain and can vary in response to many factors including environmental factors, new restorative techniques and changes in legal requirements. As a result, Liard is unable to measure the potential liability at the date of these consolidated financial statements and, accordingly, no provision has been made in the accounts.

19. Supplemental cash flow information

During the year the First Nation paid cash interest of \$70,714 (2015 - \$82,513) and received cash for interest of \$542,439 (2015 - \$707,622).

Fort Nelson First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2016

20. Budget information

The disclosed budget information has been approved by the Chief and Council of the First Nation at the Council meeting held on April 30, 2015.

Budget figures on the Statement of Operations	\$ (120,720)
Adjusted for:	
Acquisition of tangible capital assets	(362,205)
Replacement reserve transfers	(23,100)
Budgeted deficit approved by Chief and Council	<u>\$ (506,025)</u>

21. Accumulated operating surplus

Accumulated operating surplus consists of the following:

	2016	<i>2015 Note 22</i>
Restricted cash	313,645	311,296
Designated cash	2,914,073	2,914,073
Restricted portfolio investments	300,000	300,000
Investment in partnership	4,373,795	4,250,286
Trust funds held by federal government - capital account	15,979,975	15,905,664
Investments in and advances to First Nation business enterprises	10,522,717	18,843,274
Investment in First Nation business partnership	32,391	44,472
Investment in tangible capital assets	29,789,304	29,840,139
	64,225,900	72,409,204
Surplus available for operations	17,330,357	15,179,191
Accumulated surplus	81,556,257	87,588,395
Accumulated remeasurement gains	416,680	709,320
	81,972,937	88,297,715

22. Correction of an error

During the year, information became available regarding the annual distribution of income to the First Nation from their investment in the New Horizon's Trust. For 2015 the impact of this correction has resulted in an increase in accounts receivable of \$468,765, an increase in accumulated surplus of \$168,003 and an increase in revenue from the New Horizon's Trust portfolio investment of \$300,762. For 2016 the impact of this correction has resulted in an increase in the opening accumulated surplus of \$300,762.

23. Segments

The First Nation describes its operating segments as follows:

Administration

This segment provides band support and administrative services for the operations of the First Nation, including various financial functions such as payroll, accounts receivable and accounts payable.

Capital

This segment is comprised of programs that oversee the First Nation's infrastructure.

Capital Projects

This segment is comprised of capital assets as well as revenue of capitalized assets and assets under construction.

Child Development

This segment is comprised of programs that promote early childhood development and culture to children and young families.

Economic Development

This segment implements community economic development planning and capacity building initiatives, which are pursued to benefit the First Nation's community by enhancing employment, income generation activities, use of land and resources, economic infrastructure and business opportunities.

Lands Resources

This segment is responsible for ensuring that interests of the First Nation are represented in matters of lands and natural resources.

Education

This segment is responsible for managing and delivering K to grade 12 education programs and services. This includes language and culture, employment counselling services and the management of post-secondary student funding and support programs.

Health

This segment administers the delivery of health programs and services.

Housing

This segment's activities include Nation owned and CMHC housing rental units and repairs.

Social Services

This segment administers benefits and services to individuals and families living on reserve who are in need of support. Department services include income assistance, assisted living, family violence prevention and awareness.

Other Investments

This segment includes income and investments in government business enterprises, as well as income from portfolio investments and partnerships.

24. Comparative figures

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

25. Subsequent event

Subsequent to the reporting date, Liard Hotsprings (FNFN) Lodge Ltd., a consolidated entity, actively listed a building for sale exclusively to Fort Nelson First Nation members.

Subsequent to year-end the Nation was given notice that the Economic Benefits Agreement entered into with the Province of BC on June 8, 2012, will be terminated in the 2017 fiscal year-end. The agreement entitled the Nation to a minimum of three quarterly payments of \$285,715 each and a fourth payment that was calculated based on the formula set-out in the agreement and dependant on a number of different factors.

Fort Nelson First Nation
Schedule 1 - Consolidated Schedule of Tangible Capital Assets
For the year ended March 31, 2016

	<i>Land</i>	<i>Buildings</i>	<i>Automotive equipment</i>	<i>Computer and office equipment</i>	<i>Machinery and equipment</i>	<i>Roads and land improvements</i>	<i>Subtotal</i>
Cost							
Balance, beginning of year	2,255,652	23,378,013	1,194,180	1,471,083	708,643	12,466,621	41,474,192
Acquisition of tangible capital assets	-	30,991	-	52,882	5,750	6,182	95,805
Disposal of tangible capital assets	-	(191,390)	(58,000)	(26,172)	-	(85,966)	(361,528)
Balance, end of year	2,255,652	23,217,614	1,136,180	1,497,793	714,393	12,386,837	41,208,469
Accumulated amortization							
Balance, beginning of year	-	7,890,546	740,679	926,094	580,007	5,002,906	15,140,232
Annual amortization	-	928,705	64,452	131,603	16,750	502,867	1,644,377
Accumulated amortization on disposals	-	(129,402)	(58,000)	(17,205)	-	(40,879)	(245,486)
Balance, end of year	-	8,689,849	747,131	1,040,492	596,757	5,464,894	16,539,123
Net book value of tangible capital assets	2,255,652	14,527,765	389,049	457,301	117,636	6,921,943	24,669,346
2015 Net book value of tangible capital assets	2,255,652	15,487,466	453,502	544,988	128,636	7,463,716	26,333,960

Fort Nelson First Nation
Schedule 1 - Consolidated Schedule of Tangible Capital Assets
For the year ended March 31, 2016

	<i>Subtotal</i>	<i>Service installations</i>	<i>Assets under construction</i>	<i>CMHC Housing units</i>	<i>Liard Hotsprings Lodge (FNFN) Ltd. - Property and equipment</i>	<i>Subtotal</i>
Cost						
Balance, beginning of year	41,474,192	10,351,645	280,277	2,105,783	1,325,618	55,537,515
Acquisition of tangible capital assets	95,805	-	2,163,638	-	-	2,259,443
Disposal of tangible capital assets	(361,528)	-	-	-	-	(361,528)
Balance, end of year	41,208,469	10,351,645	2,443,915	2,105,783	1,325,618	57,435,430
Accumulated amortization						
Balance, beginning of year	15,140,232	8,283,578	-	519,734	377,010	24,320,554
Annual amortization	1,644,377	517,582	-	71,225	43,797	2,276,981
Accumulated amortization on disposals	(245,486)	-	-	-	-	(245,486)
Balance, end of year	16,539,123	8,801,160	-	590,959	420,807	26,352,049
Net book value of tangible capital assets	24,669,346	1,550,485	2,443,915	1,514,824	904,811	31,083,381
2015 Net book value of tangible capital assets	26,333,960	2,068,067	280,277	1,586,049	948,608	31,216,961

Fort Nelson First Nation
Schedule 1 - Consolidated Schedule of Tangible Capital Assets
For the year ended March 31, 2016

	<i>Subtotal</i>	<i>FNFN Gravel Pits Ltd. - Equipment</i>	<i>2016</i>	<i>2015</i>
Cost				
Balance, beginning of year	55,537,515	8,117	55,545,632	53,624,555
Acquisition of tangible capital assets	2,259,443	-	2,259,443	9,073,476
Disposal of tangible capital assets	(361,528)	-	(361,528)	(7,152,399)
Balance, end of year	57,435,430	8,117	57,443,547	55,545,632
Accumulated amortization				
Balance, beginning of year	24,320,554	1,929	24,322,483	22,263,734
Annual amortization	2,276,981	1,797	2,278,778	2,103,168
Accumulated amortization on disposals	(245,486)	-	(245,486)	(44,419)
Balance, end of year	26,352,049	3,726	26,355,775	24,322,483
Net book value of tangible capital assets	31,083,381	4,391	31,087,772	31,223,149
2015 Net book value of tangible capital assets	31,216,961	6,188	31,223,149	

Fort Nelson First Nation
Schedule 2 - Schedule of Consolidated Expenses by Object
For the year ended March 31, 2016

	2016 Budget	2016	2015
Consolidated expenses by object			
Administration	85,510	52,033	9,147
Amortization	-	2,278,778	2,103,168
Bad debts (recovery)	-	(21,068)	20,889
Bank charges and interest	3,600	38,990	44,469
Bussing	102,900	115,543	96,713
Community programs	867,714	763,106	756,767
Cost of goods sold	-	406,238	447,672
Elders' services	155,600	144,503	146,820
Furniture and equipment	85,300	49,656	68,939
CEP Education Credits	-	77,265	12,295
Honouraria	122,100	112,940	130,507
Impairment loss	-	-	149,532
Insurance	141,418	142,880	129,226
Interest on long-term debt	27,575	35,014	35,373
Lands rebilling	130,400	271,987	818,901
Loss on disposal of assets	-	116,042	36,316
Meeting and conventions	8,900	15,634	44,955
Office and miscellaneous	189,813	128,855	122,812
Post secondary allowances	346,820	509,323	462,403
Professional fees	969,940	1,313,736	1,401,539
Property tax	20,499	27,097	28,281
Rental	6,000	18,000	16,900
Repairs and maintenance	744,831	1,439,997	1,016,367
Social services payments	251,628	299,294	338,342
Student incentives	168,100	153,268	78,856
Supplies and other	489,776	375,361	646,160
Telephone	119,702	160,000	155,403
Transportation	135,128	103,433	171,147
Travel and training	256,445	204,935	473,047
Utilities	223,603	247,545	313,811
Wages and benefits	7,125,515	7,088,991	6,359,787
	12,778,817	16,669,376	16,636,544

Fort Nelson First Nation
Administration

Schedule 3 - Consolidated Schedule of Revenue and Expenses
For the year ended March 31, 2016

	<i>2016 Budget</i>	<i>2016</i>	<i>2015</i>
Revenue			
Indigenous and Northern Affairs Canada	481,407	574,119	610,743
Province of British Columbia	1,257,145	1,285,981	1,205,593
Interest income	40,000	119,281	141,938
Other revenue	360	29,350	180,463
Black Diamond Dene Limited Partnership - Land Royalty	136,234	495,309	800,460
	1,915,146	2,504,040	2,939,197
Expenses			
Administration	4,000	3,899	3,458
Amortization	-	129,161	109,259
Bad debts	-	(21,068)	19,551
Band support	101,617	102,975	79,697
Bank charges and interest	3,600	3,166	4,420
Community infrastructure	25,000	30,720	37,632
Community programs	139,000	111,539	262,979
Economic development	15,000	15,077	6,698
Furniture and equipment	14,400	15,262	15,749
Honouraria	63,750	78,750	98,825
Insurance	14,515	13,015	415
Interest on long-term debt	-	4,553	2,595
Meeting and conventions	6,000	11,815	40,970
Office and miscellaneous	41,713	46,176	48,279
Professional fees	617,600	893,403	661,567
Social development	20,000	28,543	35,543
Supplies and other	2,922	1,456	9,250
Telephone	39,240	38,918	38,818
Transportation	23,198	16,965	10,615
Travel and training	90,800	54,785	196,812
Utilities	12,000	9,688	10,262
Wages and benefits	1,283,953	1,048,060	900,247
	2,518,308	2,636,858	2,593,641
Surplus (deficit) before transfers	(603,162)	(132,818)	345,556
Transfers between programs	-	(5,102,599)	(2,763,004)
Deficit	(603,162)	(5,235,417)	(2,417,448)

Fort Nelson First Nation
Capital

Schedule 4 - Consolidated Schedule of Revenue and Expenses
For the year ended March 31, 2016

	<i>2016 Budget</i>	<i>2016</i>	<i>2015</i>
Revenue			
Indigenous and Northern Affairs Canada	457,819	530,017	508,393
North East Native Advancing Agency	-	48,754	9,328
First Nations Health Authority	-	42,609	-
First Nations Education Steering Committee	-	6,816	5,861
Other revenue	272	61,029	5,451
	458,091	689,225	529,033
Expenses			
Administration	415	67	675
Amortization	-	1,079,785	1,062,265
Furniture and equipment	10,500	8,639	29,514
Insurance	44,618	38,774	40,184
Office and miscellaneous	-	414	-
Professional fees	-	4,000	-
Repairs and maintenance	532,399	656,816	636,871
Supplies and other	26,533	23,331	8,391
Telephone	14,400	10,896	10,309
Transportation	70,072	39,176	96,698
Travel and training	-	16,839	11,046
Utilities	54,209	53,716	61,896
Wages and benefits	786,635	760,674	549,753
	1,539,781	2,693,127	2,507,602
Deficit before transfers	(1,081,690)	(2,003,902)	(1,978,569)
Transfers between programs	-	2,003,902	1,951,767
Surplus (deficit)	(1,081,690)	-	(26,802)

Fort Nelson First Nation
Capital Projects
Schedule 5 - Consolidated Schedule of Revenue and Expenses
For the year ended March 31, 2016

	<i>2016 Budget</i>	<i>2016</i>	<i>2015</i>
Revenue			
Indigenous and Northern Affairs Canada	-	609,206	2,273,047
Expenses			
Loss on disposal of assets	-	116,042	36,316
Supplies and other	-	-	158,006
Travel and training	-	-	50,370
	-	116,042	244,692
Surplus before transfers	-	493,164	2,028,355
Transfers between programs	-	-	(2,714,977)
Surplus (deficit)	-	493,164	(686,622)

Fort Nelson First Nation
Child Development
Schedule 6 - Consolidated Schedule of Revenue and Expenses
For the year ended March 31, 2016

	<i>2016 Budget</i>	<i>2016</i>	<i>2015</i>
Revenue			
Province of British Columbia	155,278	142,504	130,442
North East Native Advancing Agency	85,800	96,000	106,900
First Nations Health Authority	110,268	110,268	104,519
Other revenue	103,124	100,562	48,099
	454,470	449,334	389,960
Expenses			
Administration	-	-	983
Amortization	-	138,010	84,015
Community programs	20,200	19,019	33,448
Furniture and equipment	3,000	9,600	4,093
Office and miscellaneous	-	12,102	1,994
Rental	-	12,000	-
Repairs and maintenance	-	413	4,939
Supplies and other	20,919	16,674	20,944
Telephone	12,492	10,447	9,697
Transportation	8,582	6,092	3,235
Travel and training	19,445	12,591	25,677
Utilities	18,024	6,078	9,342
Wages and benefits	529,238	422,486	361,356
	631,900	665,512	559,723
Deficit before transfers	(177,430)	(216,178)	(169,763)
Transfers between programs	-	260,889	35,359
Surplus (deficit)	(177,430)	44,711	(134,404)

Fort Nelson First Nation
Economic Development
Schedule 7 - Consolidated Schedule of Revenue and Expenses
For the year ended March 31, 2016

	<i>2016 Budget</i>	<i>2016</i>	<i>2015</i>
Revenue			
Indigenous and Northern Affairs Canada	46,547	86,149	78,847
Province of British Columbia	-	-	125,629
Other revenue	75,000	50,431	-
	121,547	136,580	204,476
Expenses			
Honouraria	15,000	13,450	11,100
Meeting and conventions	-	2,047	1,042
Office and miscellaneous	8,100	366	2,301
Professional fees	38,500	76,967	120,696
Telephone	-	802	531
Transportation	540	-	4,521
Travel and training	4,100	1,625	16,520
Wages and benefits	135,670	104,993	140,731
	201,910	200,250	297,442
Deficit before transfers	(80,363)	(63,670)	(92,966)
Transfers between programs	-	60,171	96,465
Surplus (deficit)	(80,363)	(3,499)	3,499

Fort Nelson First Nation
Education

Schedule 8 - Consolidated Schedule of Revenue and Expenses
For the year ended March 31, 2016

	<i>2016 Budget</i>	<i>2016</i>	<i>2015</i>
Revenue			
Indigenous and Northern Affairs Canada	1,755,839	1,617,521	1,886,154
Province of British Columbia	640,000	693,046	649,922
North East Native Advancing Agency	-	-	35,568
First Nations Education Steering Committee	449,000	215,957	354,936
Government of Canada	-	89,560	-
Other revenue	-	155,995	91,170
	2,844,839	2,772,079	3,017,750
Expenses			
Administration	42,870	1,530	3,329
Amortization	-	393,387	388,862
Bussing	102,900	115,543	96,713
CEP Education Credits	-	77,265	12,295
Community programs	-	2,209	-
Furniture and equipment	30,200	5,504	6,548
Honouraria	-	1,825	4,250
Insurance	27,690	28,000	28,218
Post secondary allowances	346,820	509,323	462,403
Professional fees	-	20,170	5,666
Repairs and maintenance	85,000	111,847	67,558
Student incentives	168,100	153,268	78,856
Supplies and other	225,610	238,779	337,843
Telephone	-	26,020	21,567
Transportation	-	2,696	9,928
Travel and training	-	57,188	69,693
Utilities	59,872	45,704	60,049
Wages and benefits	2,277,848	2,481,981	2,089,107
	3,366,910	4,272,239	3,742,885
Deficit before transfers	(522,071)	(1,500,160)	(725,135)
Transfers between programs	-	1,500,160	712,618
Surplus (deficit)	(522,071)	-	(12,517)

Fort Nelson First Nation
Health

Schedule 9 - Consolidated Schedule of Revenue and Expenses
For the year ended March 31, 2016

	2016 Budget	2016	2015
Revenue			
Indigenous and Northern Affairs Canada	7,344	7,344	5,576
First Nations Health Authority	766,608	811,680	704,237
Other revenue	-	6,722	350
Prior year reimbursement	-	-	7,500
	773,952	825,746	717,663
Expenses			
Administration	-	589	26
Amortization	-	133,862	65,932
Community programs	242,732	324,604	281,301
Insurance	2,700	-	-
Office and miscellaneous	-	105	-
Professional fees	20,000	33,187	35,614
Supplies and other	23,843	13,532	30,191
Telephone	14,830	22,283	15,892
Transportation	300	1,560	2,764
Travel and training	4,000	10,935	7,576
Utilities	15,834	24,492	8,605
Wages and benefits	653,426	559,053	640,980
Repairs and maintenance	222	-	-
	977,887	1,124,202	1,088,881
Deficit before transfers	(203,935)	(298,456)	(371,218)
Transfers between programs	-	288,765	343,148
Deficit	(203,935)	(9,691)	(28,070)

Fort Nelson First Nation
Housing

Schedule 10 - Consolidated Schedule of Revenue and Expenses
For the year ended March 31, 2016

	<i>2016 Budget</i>	<i>2016</i>	<i>2015</i>
Revenue			
Province of British Columbia	36,600	35,802	-
Rental income	218,262	221,213	203,042
Canada Mortgage and Housing Corporation	82,266	82,266	82,266
Interest income	2,100	2,349	2,691
	339,228	341,630	287,999
Expenses			
Administration	36,600	37,061	675
Amortization	-	196,237	195,098
Insurance	51,895	40,213	36,660
Interest on long-term debt	27,575	30,460	32,778
Office and miscellaneous	-	34,249	-
Professional fees	4,000	3,420	3,807
Repairs and maintenance	124,230	110,526	96,857
Supplies and other	3,500	4,592	5,770
Telephone	1,500	6,831	1,478
Transportation	1,500	886	1,770
Travel and training	-	144	1,303
Utilities	50,760	28,568	40,775
Wages and benefits	126,876	105,282	105,392
	428,436	598,469	522,363
Deficit before transfers	(89,208)	(256,839)	(234,364)
Transfers between programs	-	296,516	273,389
Surplus (deficit)	(89,208)	39,677	39,025

Fort Nelson First Nation
Lands Resources
Schedule 11 - Consolidated Schedule of Revenue and Expenses
For the year ended March 31, 2016

	<i>2016 Budget</i>	<i>2016</i>	<i>2015</i>
Revenue			
Province of British Columbia	1,304,437	779,206	981,339
BC Hydro	48,000	14,864	31,451
Government of Canada	-	1,434	73,814
Other revenue	100,307	136,227	93,343
Lands rebilling	210,500	306,194	1,109,402
Opening deferred revenue	-	32,650	32,650
Closing deferred revenue	-	(39,269)	(32,650)
	1,663,244	1,231,306	2,289,349
Expenses			
Administration	1,125	-	-
Amortization	-	137,348	134,736
Community programs	119,500	97,843	-
Furniture and equipment	27,200	9,273	13,034
Honouraria	7,350	10,003	11,344
Lands rebilling	130,400	271,987	818,901
Meeting and conventions	2,900	1,772	2,943
Office and miscellaneous	140,000	13,155	54,359
Professional fees	289,340	208,609	535,960
Supplies and other	162,450	60,758	62,814
Telephone	21,060	17,635	26,464
Transportation	8,649	8,516	31,363
Travel and training	123,000	29,497	52,348
Utilities	7,440	5,288	5,050
Wages and benefits	617,831	588,472	594,461
	1,658,245	1,460,156	2,343,777
Surplus (deficit) before transfers	4,999	(228,850)	(54,428)
Transfers between programs	-	227,881	(655,443)
Surplus (deficit)	4,999	(969)	(709,871)

Fort Nelson First Nation
Other Investments
Schedule 12 - Consolidated Schedule of Revenue and Expenses
For the year ended March 31, 2016

	2016 Budget	2016	2015
Revenue			
Interest income	650,000	332,693	385,647
Income from portfolio investments	-	221,515	214,404
672465 B.C. Ltd. (loss)	-	(171,298)	(187,508)
Eh Cho Dene GP Ltd. (loss)	-	(3,926)	(1,062)
Eh Cho Dene Enterprises Limited Partnership (loss)	-	(2,842,320)	(219,809)
Property taxation	40,000	6,775	60,000
Income from investment in partnership	2,592,017	1,781,163	3,416,189
Lease income	49,000	47,863	52,538
Royalties and dues	60,000	74,309	155,582
Liard Hotsprings Lodge (FNFN) Ltd.	-	851,505	899,287
FNFN Gravel Pits Ltd.	-	-	102,197
Fort Nelson First Nation Future Generations Trust	-	372,180	459,391
New Horizons Trust	-	385,573	300,762
Waterways Communication Limited Partnership	-	31,269	13,072
	3,391,017	1,087,301	5,650,690
Expenses			
Administration	-	2,887	-
Amortization	-	56,092	48,147
Bad debts	-	-	1,338
Bank charges and interest	-	35,824	40,049
Cost of goods sold	-	406,238	447,672
Impairment loss	-	-	149,532
Insurance	-	22,878	23,749
Office and miscellaneous	-	22,284	15,881
Professional fees	500	73,980	38,230
Property tax	20,499	27,097	28,281
Rental	-	-	16,900
Repairs and maintenance	-	560,395	210,141
Telephone	-	13,845	10,093
Transportation	-	15,700	2,770
Travel and training	-	1,391	5,469
Utilities	-	68,779	109,620
Wages and benefits	-	323,581	313,780
	20,999	1,630,971	1,461,652
Surplus (deficit) before transfers	3,370,018	(543,670)	4,189,038
Transfers between programs	-	10,497	2,078,922
Surplus (deficit)	3,370,018	(533,173)	6,267,960

Fort Nelson First Nation
Social Services
Schedule 13 - Consolidated Schedule of Revenue and Expenses
For the year ended March 31, 2016

	<i>2016 Budget</i>	<i>2016</i>	<i>2015</i>
Revenue			
Indigenous and Northern Affairs Canada	448,003	547,682	551,197
Province of British Columbia	74,630	70,023	72,129
Department of Justice Canada	73,630	78,485	74,630
First Nations Health Authority	-	6,000	-
Government of Canada	-	25,000	-
Other revenue	100,300	32,368	19,961
	696,563	759,558	717,917
Expenses			
Administration	500	6,000	-
Amortization	-	14,897	14,855
Community programs	346,282	207,893	179,039
Elders' services	155,600	144,503	146,820
Furniture and equipment	-	1,377	-
Honouraria	36,000	8,912	4,988
Rental	6,000	6,000	-
Repairs and maintenance	2,980	-	-
Social services payments	251,628	299,294	338,342
Supplies and other	23,999	16,240	12,950
Telephone	16,180	12,324	20,554
Transportation	22,287	11,842	7,483
Travel and training	15,100	19,940	36,234
Utilities	5,464	5,233	8,211
Wages and benefits	552,421	517,095	504,410
	1,434,441	1,271,550	1,273,886
Deficit before transfers	(737,878)	(511,992)	(555,969)
Transfers between programs	-	453,818	641,756
Surplus (deficit)	(737,878)	(58,174)	85,787