

**Fort Nelson First Nation
Consolidated Financial Statements**

March 31, 2017

Fort Nelson First Nation
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For the year ended March 31, 2017

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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 25, 2017

[Signature on file]

Chief Financial Officer

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, 2017, and the consolidated statements of operations and accumulated surplus, remeasurement gains, changes in net financial assets, cash flows and the related schedules for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

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

Auditors' Responsibility

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

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

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

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Fort Nelson First Nation as at March 31, 2017 and the results of its operations including remeasurement gains, 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 25, 2017

MNP LLP

Chartered Professional Accountants

Fort Nelson First Nation
Consolidated Statement of Financial Position
As at March 31, 2017

	2017	2016
		<i>Restated Note 21</i>
Financial assets		
Cash resources (Note 4)	8,082,313	4,970,702
Portfolio investments (Note 5)	15,145,262	16,984,451
Portfolio investments held in trust (Note 6)	9,227,082	-
Funds held in trust (Note 7)	16,341,500	16,556,913
Accounts receivable (Note 8)	2,361,022	2,810,243
Inventory	41,867	66,313
Investment in partnership	-	1,233,482
Investments in First Nation business entities (Note 9)	9,353,391	10,522,717
Investment in First Nation business partnership (Note 9)	134,778	32,391
Total of financial assets	60,687,215	53,177,212
Liabilities		
Accounts payable and accruals (Note 10)	3,033,425	2,934,622
Deferred revenue (Note 11)	425,732	387,293
Mortgage advance	-	736,788
Promissory notes payable (Note 12)	235,228	157,708
Long-term debt (Note 13)	2,701,495	1,298,468
Total of liabilities	6,395,880	5,514,879
Net financial assets	54,291,335	47,662,333
Contingent liabilities (Note 16)		
Non-financial assets		
Tangible capital assets (Schedule 1)	28,832,757	31,087,772
Prepaid expenses	266,596	82,518
Total non-financial assets	29,099,353	31,170,290
Accumulated surplus (Note 19)	83,390,688	78,832,623
Accumulated surplus is comprised of:		
Accumulated surplus	82,792,802	78,415,943
Accumulated remeasurement gains	597,886	416,680
	83,390,688	78,832,623

Approved on behalf of the Council

[Signature on file]

Chief Councilor

[Signature on file]

Councilor

Fort Nelson First Nation
Consolidated Statement of Operations and Accumulated Surplus
For the year ended March 31, 2017

	<i>Schedules</i>	<i>2017 Budget</i>	<i>2017</i>	<i>2016 Restated Note 21</i>
Revenue				
Indigenous and Northern Affairs Canada		3,095,471	4,232,816	3,972,038
Province of British Columbia		2,164,910	1,938,780	3,006,562
First Nations Heath Authority		1,002,247	1,025,622	970,557
First Nations Education Steering Committee		211,660	530,997	222,773
North East Native Advancing Agency		115,775	152,078	145,427
Government of Canada		390,000	207,059	115,994
Department of Justice Canada		72,130	72,130	78,485
BC Hydro		48,000	-	14,864
Canada Mortgage and Housing Corporation		125,234	277,306	82,266
Income from investment in partnership		1,256,173	206,178	2,891,137
Income from portfolio investments		554,000	630,087	221,515
Interest income		348,000	371,057	454,323
New Horizons Trust distribution		-	10,064,663	385,573
Loss from investments in First Nation business entities		-	(1,165,264)	(3,017,544)
Income from investment in First Nation business partnership		-	102,387	31,269
Other revenue		827,683	1,722,137	2,708,937
Rental income		254,920	226,337	221,213
		10,466,203	20,594,370	12,505,389
Program expenses				
Administration	3	1,849,926	2,266,170	2,636,859
Capital	4	1,142,910	2,535,235	2,687,269
Capital Projects	5	-	2,898	116,042
Child Development	6	509,947	618,491	665,512
Economic Development	7	276,695	257,989	200,250
Education	8	3,670,216	4,267,341	4,272,239
Health	9	1,073,039	1,144,300	1,119,472
Housing	10	578,309	935,089	598,469
Lands Resources	11	1,493,398	1,568,542	1,460,156
Other Investments	12	19,064	1,458,755	2,399,736
Social Services	13	1,068,796	1,162,701	1,271,550
		11,682,300	16,217,511	17,427,554
Surplus (deficit)		(1,216,097)	4,376,859	(4,922,165)
Accumulated surplus, beginning of year, as previously stated		81,556,256	81,556,256	87,588,395
Correction of an error (Note 21)		(3,140,313)	(3,140,313)	(4,250,287)
Accumulated surplus, beginning of year, as restated		78,415,943	78,415,943	83,338,108
Accumulated surplus, end of year		77,199,846	82,792,802	78,415,943

The accompanying notes are an integral part of these financial statements

Fort Nelson First Nation
Consolidated Statement of Remeasurement Gains
For the year ended March 31, 2017

	2017	2016
Accumulated remeasurement gains, beginning of year	416,680	709,320
Unrealized gains (losses) attributable to:		
Foreign exchange	(28,810)	63,887
Portfolio investments	634,441	(197,943)
Amounts reclassified to the statement of operations:		
Foreign exchange	(360,094)	-
Portfolio investments	(64,331)	(158,584)
Accumulated remeasurement gains, end of year	597,886	416,680

Fort Nelson First Nation
Consolidated Statement of Changes in Net Financial Assets
For the year ended March 31, 2017

	2017 Budget	2017	2016 Restated Note 21
Surplus (deficit)	(1,216,097)	4,376,859	(4,922,165)
Purchases of tangible capital assets	(23,100)	(112,309)	(2,259,443)
Amortization of tangible capital assets	70,755	2,327,925	2,278,778
Proceeds from sale of tangible capital assets	-	36,501	-
Loss on disposal of tangible capital assets	-	2,898	116,042
Acquisition of prepaid expenses	-	(184,078)	-
Use of prepaid expenses	-	-	7,189
Change in remeasurement gains (losses) for the year	-	181,206	(292,640)
Increase (decrease) in net financial assets	(1,168,442)	6,629,002	(5,072,239)
Net financial assets, beginning of year	47,662,333	47,662,333	52,734,572
Net financial assets, end of year	46,493,891	54,291,335	47,662,333

Fort Nelson First Nation
Consolidated Statement of Cash Flows
For the year ended March 31, 2017

2017 **2016**
Restated
Note 21

Cash provided by (used for) the following activities

Operating activities

Surplus (deficit)	4,376,859	(4,922,165)
Non-cash items		
Amortization	2,327,925	2,278,778
Loss on disposal of tangible capital assets	2,898	116,042
Unrealized foreign exchange gains (losses) on portfolio investments	(388,903)	63,887
Unrealized gains (losses) on portfolio investments	634,441	(197,943)
Loss from investments in First Nation business entities	1,165,264	3,017,544
Income from investment in First Nation business partnership	(102,387)	(31,269)
Changes in working capital accounts	8,016,097	324,874
Accounts receivable	449,221	(73,425)
Inventory for resale	24,444	20,517
Accounts payable and accruals	98,804	580,036
Deferred revenue	38,439	(30,617)
Prepaid expenses	(184,078)	7,189
	8,442,927	828,574

Financing activities

Advances of long-term debt	1,679,908	-
Repayment of long-term debt	(276,881)	(84,542)
Proceeds from promissory notes payable	77,520	-
Proceed (repayments) from mortgage advance	(736,788)	736,788
	743,759	652,246

Capital activities

Purchases of tangible capital assets	(112,309)	(2,259,443)
Proceeds from sale of tangible capital assets	36,501	-
	(75,808)	(2,259,443)

Investing activities

Increase in portfolio investments	-	(11,519,712)
Decrease in portfolio investments	1,774,858	-
Increase in portfolio investments held in trust	(9,227,082)	-
Proceeds from funds held in trust	215,413	-
Increase in funds held in trust	-	(454,864)
Increase in investment in partnership	-	(1,233,482)
Decrease in investment in partnership	1,233,482	-
Decrease in investments in First Nation business entities	4,062	5,303,013
Decrease in investment in First Nation business partnership	-	43,350
	(5,999,267)	(7,861,695)

Increase (decrease) in cash resources

Cash resources, beginning of year	4,970,702	13,611,020
Cash resources, end of year	8,082,313	4,970,702

The accompanying notes are an integral part of these financial statements

Fort Nelson First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2017

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
- Reaching For Our Vision Trust

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)

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. Earnings from portfolio investments that are not quoted in an active market are recognized only to the extent received or receivable.

Fort Nelson First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2017

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

Inventory

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.

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

- Prior to March 31, 2017, 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

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 %

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.

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.

Fort Nelson First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2017

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

Net financial assets

The First Nation's consolidated financial statements are presented so as to highlight net financial assets as the measurement of consolidated financial position. The net financial assets of the First Nation is determined by its financial assets less its liabilities. Net financial assets combined with non-financial assets comprise a second indicator of consolidated financial position, accumulated surplus.

Liability for contaminated site

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

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

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.

Fort Nelson First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2017

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

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 entities 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. 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.

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.

Fort Nelson First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2017

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

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.

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 consolidated 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 consolidated statement of operations.

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.

In the period of settlement, foreign exchange gains 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.

Consolidated Statement of Remeasurement Gains

By presenting remeasurement gains (losses) separately, changes in the carrying value of financial instruments arising from fair value measurement, unrealized foreign exchange gains (losses) and other comprehensive income arising from investments in government business entities are distinguished from revenues and expenses reported in the consolidated statement of operations. The consolidated statement of operations reports the extent to which revenues raised in the period were sufficient to meet the expenses incurred. Remeasurement gains (losses) do not affect this assessment as they are recognized in the statement of consolidated remeasurement gains. Taken together, the two statements account for changes in a First Nation's net assets (liabilities) in the period.

Upon settlement, the cumulative gain (loss) is reclassified from the consolidated statement of remeasurement gains and recognized in the consolidated statement of operations. Interest and dividends attributable to all financial instruments are reported in the consolidated statement of operations.

Fort Nelson First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2017

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 resources, 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.

Foreign Currency Risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The First Nation enters into transactions to invest in portfolio investments which are denominated in US currency for which the related accounts are subject to exchange rate fluctuations. As at March 31, 2017 the First Nation held Cash of \$68,335 CAD\$ denominated in US currency.

4. Cash

Restricted cash

Included in cash are externally restricted funded reserves in the amount of \$340,472 (2016 - \$313,645).

Revolving line of credit

The First Nation has available 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. At March 31, 2017, the outstanding line of credit and bank overdraft balances were \$NIL (2016 - \$NIL), and are secured by certain vehicles owned and a general security agreement over all present and future personal property with appropriate insurance coverage.

Designated funds

Included in cash are designated funds in the amount of \$2,914,073 (2016 - \$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 7). The capital projects have since been completed and the remaining surplus will be repaid to Indigenous and Northern Affairs Canada, for redeposit into the Capital account.

5. Portfolio investments

Included in portfolio investments are the following:

- Publicly traded securities with a market value of \$15,084,203 (2016 - \$16,623,393) and an adjusted cost base of \$14,521,993 (2016 - \$16,612,570).
- 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.

Fort Nelson First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2017

6. Portfolio investments held in trust

Included in portfolio investments held in trust are publicly traded securities with a market value of \$9,227,082 and an adjusted cost base of \$9,208,360.

7. 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.

	2017	2016
Capital Trust		
Balance, beginning of year	15,979,975	15,905,664
Additions	11,111	74,311
 Balance, end of year	15,991,086	15,979,975
Revenue Trust		
Balance, beginning of year	576,938	196,385
Additions	355,730	380,553
Withdrawals	(582,254)	-
 Balance, end of year	350,414	576,938
 16,341,500	16,556,913	

8. Accounts receivable

	2017	2016
Indigenous and Northern Affairs Canada	155,949	154,943
Province of British Columbia	-	23,558
Due from members	1,082,192	948,879
Government of Canada	19,325	-
Other receivables	2,118,880	2,551,637
Allowance for doubtful accounts	(1,015,324)	(868,774)
 2,361,022	2,810,243	

Fort Nelson First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2017

9. Investments in First Nation business entities and partnership

The First Nation has investments in the following entities:

					2017
	Investment cost	Advances to (from)	Accumulated earnings (loss) in equity	Current earnings (loss) in equity	Total investment
Wholly-owned Businesses:					
672465 B.C. Ltd.	1	17,589	322,252	(116,100)	223,742
Eh Cho Dene Enterprises Limited Partnership	4,864,103	(5,070,536)	10,381,962	(1,046,837)	9,128,692
Eh Cho Dene GP Ltd.	40	2,358	886	(2,327)	957
	4,864,144	(5,050,589)	10,705,100	(1,165,264)	9,353,391
First Nation Business Partnership – Modified Equity:					
Waterways Communications Limited Partnership - 51%	25,076	-	7,315	102,387	134,778
	4,889,220	(5,050,589)	10,712,415	(1,062,877)	9,488,169
					2016
	Investment cost	Advances to (from)	Accumulated earnings (loss) in equity	Current earnings (loss) in equity	Total investment
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

Fort Nelson First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2017

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 GP 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.</i> <i>As at March 31, 2017</i>	<i>Eh Cho Dene GP Ltd.</i> <i>As at March 31, 2017</i>	<i>Eh Cho Dene Enterprises Limited Partnership</i> <i>As at March 31, 2017</i>	<i>Waterways Communication s Limited Partnership</i> <i>As at March 31, 2017</i>
Assets				
Cash	88,160	-	4,963,745	260,486
Accounts receivable	4,168	-	535,126	51,984
Inventory	-	-	12,841	-
Prepaid expenses	-	-	500	-
Loan receivable, related entity	-	-	10,281	-
Due from Partner	-	-	10,511	-
Investment in related entity	-	13,129	-	-
Property and equipment	291,626	-	3,637,894	-
Total assets	383,954	13,129	9,170,898	312,470
Liabilities				
Accounts payable and accruals	160,210	1,701	130,829	48,268
Due to related entity	-	12,829	-	-
Due to the First Nation	17,590	-	127,705	-
Total liabilities	177,800	14,530	258,534	48,268
	206,154	(1,401)	8,912,364	264,202
Total revenue	-	-	2,354,400	631,012
Total expenses	116,100	2,327	3,402,285	428,937
	(116,100)	(2,327)	(1,047,885)	202,075

Fort Nelson First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2017

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

Investment in Eh Cho Dene Enterprises Limited Partnership notes to the summary financial information:

Credit Facilities

Provided by The Bank of Nova Scotia, the Partnership has available for use an 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.

The security for the above mentioned facility includes 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 overdraft was not drawn upon at March 31, 2017 and 2016.

Related Party Transactions

During the year, the Partnership billed revenues to recover costs incurred in the amounts of \$454,459 (2016 - \$213,626) to the First Nation. These transactions are in the normal course of operations and are recorded at the exchange amount.

10. Accounts payable and accruals

	2017	2016
Indigenous and Northern Affairs Canada	108,752	116,460
First Nations Health Authority	362	6,088
Province of British Columbia	68,684	68,684
Other accounts payable and accrued liabilities	<u>2,855,627</u>	<u>2,743,390</u>
	<hr/> 3,033,425	<hr/> 2,934,622

Fort Nelson First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2017

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	39,670	562,728	382,793	219,605
First Nations Health Authority	1,600	19,378	14,613	6,365
Province of British Columbia	200,063	103,463	272,623	30,903
Other deferred revenue	145,960	37,037	14,138	168,859
	387,293	722,606	684,167	425,732

12. 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.

During the year, a third note of \$77,520 was issued relating to an Agricultural Benefits Claim. This note is non-interest bearing, unsecured and is due on the earlier of March 31, 2021 or the date on which the Benefits Claim is settled.

Fort Nelson First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2017

13. Long-term debt

	2017	2016
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; secured by assets with a net book value of \$42,957 (2016 - \$46,672).	13,621	16,399
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.	58,628	61,417
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; secured by assets with a net book value of \$220,965 (2016 - \$250,755).	81,791	111,619
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; secured by assets with a net book value of \$325,926 (2016 - \$348,083).	298,696	320,891
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; secured by assets with a net book value of \$895,428 (2016 - \$915,987).	486,422	507,004
All Nations Trust (8 units - Phase 4) (CMHC Full Program) - Mortgage repayable in monthly instalments of \$6,352, including interest at 1.03% per annum; due for renewal on October 1, 2021 and matures October 1, 2041; guaranteed by Indigenous and Northern Affairs Canada; secured by assets with a net book value of \$1,679,908 (2016 - \$NIL).	1,491,264	-
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; secured by assets with a net book value of \$91,790 (2016 - \$96,709).	76,506	78,900
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.	22,796	25,107
All Nations Trust (Mortgage) - Mortgage repayable in monthly instalments of \$1,098, including interest at 4.49% per annum; due for renewal on August 1, 2017 and matures August 1, 2037; guaranteed by Indigenous and Northern Affairs Canada; secured by assets with a net book value of \$641,750 (2016 - \$675,425).	171,771	177,131
	2,701,495	1,298,468

Fort Nelson First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2017

13. Long-term debt (continued)

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:

2018	149,397
2019	152,005
2020	144,323
2021	126,965
2022	124,606

Interest expense on long-term debt amounted to \$38,152 (2016 - \$35,373).

14. Trust funds

The First Nation's revenue for the year included trust distributions of \$64,574 (2016 - \$372,180) and accounts receivable included \$1,152,628 (2016 - \$1,083,071) due from the Fort Nelson First Nation Future Generations Trust. As at March 31, 2017 the balance of funds held in the trust was \$5,059,922 (2016 - \$5,016,508) and the fair market value of the investments held in the trust was \$5,349,934 (2016 - \$5,023,838).

The First Nation's revenue for the year included trust distributions from the New Horizon's Trust in the amount of \$10,064,663 (2016 - \$385,573). During the year the trust was wound up and the current year distributions represent the entire trust fund balance on wind-up. These trust distributions were subsequently resettled into the Reaching for Our Vision Trust, which was created during the year. In previous years, the annual distributions from the New Horizon's Trust recognized as revenue were re-settled back into the Trust in the aggregate amount of \$468,765.

15. Fort Nelson First Nation Future Generations Society

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

Fort Nelson First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2017

16. 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 Indigenous and Northern Affairs Canada. The First Nation's guarantee is itself secured by the related real properties.

As at March 31, 2017, the loans are analyzed as follows:

All Nations Trust Company	22,684
All Nations Trust Company	171,125
All Nations Trust Company	76,135
CIBC Mortgages Corporation	89,549
CIBC Mortgages Corporation	13,401
CIBC Mortgages Corporation	38,389
CIBC Mortgages Corporation	29,936
Peace Hills Trust	32,746
Scotia Mortgage Corporation	58,396
Scotia Mortgage Corporation	<u>2,416</u>
	<u>534,777</u>

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, the entity 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.

As part of an Economic Benefits Agreement (EBA) executed in 2012, the Province of British Columbia made certain payments to the Fort Nelson First Nation, including a \$2,900,000 "Equity Payment". In March of 2013 the Province waived FNFN's obligation to repay those funds. The Province and the Nation started a new round of government to government negotiations toward a new "Reconciliation Agreement" to replace the EBA and the Oil and Gas Consultation Agreement (OGCA). These negotiations were not successful and the Province terminated the EBA and OGCA in the current fiscal year. The Province has requested repayment of the \$2,900,000, however, at March 31, 2017 the Province has not commenced any legal proceedings seeking the return of these funds. No liability for this balance has been recorded in the audit at March 31, 2017.

17. Supplemental cash flow information

During the year the First Nation paid cash interest of \$54,339 (2016 - \$70,714) and received cash for interest of \$609,245 (2016 - \$542,439).

Fort Nelson First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2017

18. Budget information

The disclosed budget information has been approved by the Chief and Council of the First Nation at the Council meeting held on June 20, 2016.

Budget figures on the Consolidated Statement of Operations (1,216,097)

Adjusted for:

Acquisition of tangible capital assets	(23,100)
Replacement reserve transfers	(20,100)
Harvestor Program approved June 23, 2016	119,000
Education Program amendment approved July 21, 2016	142,247
Budgeted deficit approved by Chief and Council	<u>(998,050)</u>

19. Accumulated surplus

Accumulated surplus consists of the following:

	2017	2016
		<i>Note 21</i>
Restricted cash	340,472	313,645
Designated cash	2,914,073	2,914,073
Restricted portfolio investments	-	300,000
Portfolio investments held in trust	9,227,082	-
Investment in partnership	-	1,233,482
Trust funds held by federal government - capital account	15,991,086	15,979,975
Investments in and advances to First Nation business enterprises	9,353,391	10,522,717
Investment in First Nation business partnership	134,778	32,391
Investment in tangible capital assets	26,131,262	29,789,304
	64,092,144	61,085,587
Surplus available for operations	18,700,658	17,330,356
Accumulated surplus	82,792,802	78,415,943
Accumulated remeasurement gains	597,886	416,680
	83,390,688	78,832,623

Fort Nelson First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2017

20. 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.

Other Investments

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

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.

Fort Nelson First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2017

21. Correction of an error

During the year, information became available regarding the treatment of the First Nation's investment in a partnership. For 2016 the impact of this correction has resulted in a decrease in investment in First Nation business partnership of \$3,140,313, a decrease in opening accumulated surplus of \$4,250,287 and an increase in income from investment in First Nation business partnership of \$1,109,974. For 2017 the impact of this correction has resulted in an increase in the opening accumulated surplus of \$3,140,313.

22. Contingent Asset

During the year, the First Nation had issued a Band Council resolution to accept a settlement offer from the Government of Canada in the amount of \$41,398,565 as settlement of the Fort Nelson First Nation Treaty 8 Agricultural Benefits Specific Claim. The receipt of the settlement amount is contingent upon a ratification vote of the First Nation Members of which a minimum of 25% plus one of the eligible voters vote in favour of the Settlement Agreement and those voters who vote in favour are a majority of those who vote.

23. Comparative figures

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

Fort Nelson First Nation
Schedule 1 - Consolidated Schedule of Tangible Capital Assets
For the year ended March 31, 2017

	<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>
<hr/>							
Cost							
Balance, beginning of year	2,255,652	23,217,614	1,136,180	1,497,793	714,393	12,386,837	41,208,469
Acquisition of tangible capital assets	-	27,500	-	140,797	-	-	168,297
Disposal of tangible capital assets	-	-	(167,311)	-	-	-	(167,311)
Balance, end of year	2,255,652	23,245,114	968,869	1,638,590	714,393	12,386,837	41,209,455
<hr/>							
Accumulated amortization							
Balance, beginning of year	-	8,689,849	747,131	1,040,492	596,757	5,464,894	16,539,123
Annual amortization	-	928,979	55,910	161,799	16,980	502,867	1,666,535
Accumulated amortization on disposals	-	-	(127,912)	-	-	-	(127,912)
Balance, end of year	-	9,618,828	675,129	1,202,291	613,737	5,967,761	18,077,746
Net book value of tangible capital assets	2,255,652	13,626,286	293,740	436,299	100,656	6,419,076	23,131,709
2016 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

Fort Nelson First Nation
Schedule 1 - Consolidated Schedule of Tangible Capital Assets
For the year ended March 31, 2017

	<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	41,208,469	10,351,645	2,443,915	2,105,783	1,325,618	57,435,430
Acquisition of tangible capital assets	168,297	322,706	(2,383,460)	2,004,766	-	112,309
Disposal of tangible capital assets	(167,311)	-	-	-	-	(167,311)
Balance, end of year	41,209,455	10,674,351	60,455	4,110,549	1,325,618	57,380,428
Accumulated amortization						
Balance, beginning of year	16,539,123	8,801,160	-	590,959	420,807	26,352,049
Annual amortization	1,666,535	533,718	-	92,163	34,380	2,326,796
Accumulated amortization on disposals	(127,912)	-	-	-	-	(127,912)
Balance, end of year	18,077,746	9,334,878	-	683,122	455,187	28,550,933
Net book value of tangible capital assets	23,131,709	1,339,473	60,455	3,427,427	870,431	28,829,495
2016 Net book value of tangible capital assets	24,669,346	1,550,485	2,443,915	1,514,824	904,811	31,083,381

Fort Nelson First Nation
Schedule 1 - Consolidated Schedule of Tangible Capital Assets
For the year ended March 31, 2017

	<i>Subtotal</i>	<i>FNFN Gravel Pits Ltd. - Equipment</i>	<i>2017</i>	<i>2016</i>
Cost				
Balance, beginning of year	57,435,430	8,117	57,443,547	55,545,632
Acquisition of tangible capital assets	112,309	-	112,309	2,259,443
Disposal of tangible capital assets	(167,311)	-	(167,311)	(361,528)
Balance, end of year	57,380,428	8,117	57,388,545	57,443,547
Accumulated amortization				
Balance, beginning of year	26,352,049	3,726	26,355,775	24,322,483
Annual amortization	2,326,796	1,129	2,327,925	2,278,778
Accumulated amortization on disposals	(127,912)	-	(127,912)	(245,486)
Balance, end of year	28,550,933	4,855	28,555,788	26,355,775
Net book value of tangible capital assets	28,829,495	3,262	28,832,757	31,087,772
2016 Net book value of tangible capital assets	31,083,381	4,391	31,087,772	

Fort Nelson First Nation
Schedule 2 - Schedule of Consolidated Expenses by Object
For the year ended March 31, 2017

	2017 Budget	2017	2016
Consolidated expenses by object			
Administration	30,416	37,576	27,966
Contribution to trust	-	385,624	468,765
Amortization	70,755	2,327,925	2,278,778
Bad debts (recovery)	-	146,550	(21,068)
Bank charges and interest	3,600	18,271	38,990
Busing	-	140,932	115,543
CEP Education Credits	-	6,232	77,265
Community programs	683,574	703,384	763,106
Cost of goods sold	-	258,269	406,238
Distribution to minors	-	360,000	300,000
Elders' services	168,500	155,523	144,503
Furniture and equipment	101,609	86,671	49,656
Honoraria	146,850	208,255	112,940
Insurance	126,148	144,165	142,880
Interest on long-term debt	86,975	38,152	35,014
Lands rebilling	53,400	77,523	271,987
Loss on disposal of assets	-	2,898	116,042
Meeting and conventions	7,600	15,641	15,634
Nominal roll tuition fees	-	353,224	-
Office and miscellaneous	115,500	113,451	128,854
Post secondary allowances	593,194	472,537	509,323
Professional fees	1,086,638	1,243,229	1,313,736
Property tax	18,264	23,541	27,097
Rental	6,000	38,400	18,000
Repairs and maintenance	726,717	1,174,952	1,439,997
Social services payments	251,628	352,854	299,294
Student incentives	97,208	71,224	153,268
Supplies and other	449,813	386,150	396,163
Telephone	138,405	139,769	160,000
Transportation	128,091	93,862	103,500
Travel and training	277,044	263,609	173,170
Utilities	240,821	268,437	247,921
Wages and benefits	6,073,550	6,108,681	7,112,992
	11,682,300	16,217,511	17,427,554

Fort Nelson First Nation
Administration
Schedule 3 - Schedule of Revenue and Expenses
For the year ended March 31, 2017

	2017 Budget	2017	2016
Revenue			
Indigenous and Northern Affairs Canada	464,391	447,101	574,119
Province of British Columbia	475,000	291,990	1,285,981
Interest income	48,000	59,347	119,281
Other revenue	-	35,473	29,350
Black Diamond Dene Limited Partnership - Land Royalty	119,550	108,466	495,309
	1,106,941	942,377	2,504,040
Expenses			
Administration	4,000	1,444	3,899
Amortization	-	130,603	129,161
Bad debts	-	146,550	(21,068)
Band support	132,000	88,306	102,975
Bank charges and interest	3,600	2,082	3,166
Community infrastructure	-	50,720	30,720
Community programs	107,750	147,915	111,539
Economic development	-	11,805	15,077
Furniture and equipment	10,092	9,314	15,262
Honoraria	99,000	150,003	78,750
Insurance	16,500	13,134	13,015
Interest on long-term debt	-	4,222	4,553
Meeting and conventions	3,600	11,768	11,815
Office and miscellaneous	41,100	70,568	46,176
Professional fees	405,000	545,309	893,403
Social development	-	14,954	28,543
Supplies and other	2,922	1,645	1,456
Telephone	38,040	32,467	38,918
Transportation	16,092	4,589	16,965
Travel and training	23,500	110,299	54,785
Utilities	12,000	9,760	9,688
Wages and benefits	934,730	708,713	1,048,061
	1,849,926	2,266,170	2,636,859
Deficit before transfers	(742,985)	(1,323,793)	(132,819)
Transfers between programs	-	1,472,187	(5,102,599)
Surplus (deficit)	(742,985)	148,394	(5,235,418)

Fort Nelson First Nation
Capital
Schedule 4 - Schedule of Revenue and Expenses
For the year ended March 31, 2017

	2017 Budget	2017	2016
Revenue			
Indigenous and Northern Affairs Canada	621,660	632,277	530,017
North East Native Advancing Agency	-	19,803	48,754
First Nations Heath Authority	40,385	40,385	42,609
First Nations Education Steering Committee	-	42,322	6,816
Government of Canada	-	2,017	-
Canada Mortgage and Housing Corporation	-	9,000	-
Other revenue	272	114,297	55,171
	662,317	860,101	683,367
Expenses			
Administration	-	1,591	-
Amortization	-	1,099,905	1,079,785
Community programs	11,000	-	-
Furniture and equipment	5,244	16,825	8,639
Insurance	37,332	37,142	38,774
Office and miscellaneous	-	300	414
Professional fees	-	10,025	4,000
Repairs and maintenance	405,992	530,649	656,816
Supplies and other	17,800	34,640	23,331
Telephone	7,924	7,619	10,896
Transportation	46,506	33,739	39,243
Travel and training	-	-	10,981
Utilities	48,391	53,214	53,716
Wages and benefits	562,721	709,586	760,674
	1,142,910	2,535,235	2,687,269
Deficit before transfers	(480,593)	(1,675,134)	(2,003,902)
Transfers between programs	-	1,675,134	2,003,902
Surplus (deficit)	(480,593)	-	-

Fort Nelson First Nation
Capital Projects
Schedule 5 - Schedule of Revenue and Expenses
For the year ended March 31, 2017

	2017 <i>Budget</i>	2017	2016
Revenue			
Indigenous and Northern Affairs Canada (recovery)	-	(71,741)	609,206
Expenses			
Loss on disposal of assets	-	2,898	116,042
Surplus (deficit) before transfers			
Transfers between programs	-	-	-
Surplus (deficit)		-	(74,639)
			493,164

Fort Nelson First Nation
Child Development
Schedule 6 - Schedule of Revenue and Expenses
For the year ended March 31, 2017

	2017 Budget	2017	2016
Revenue			
Province of British Columbia	152,452	167,461	142,504
North East Native Advancing Agency	96,000	112,500	96,000
First Nations Heath Authority	116,332	116,333	110,268
Other revenue	90,700	54,510	100,562
	455,484	450,804	449,334
Expenses			
Amortization	-	138,010	138,010
Community programs	14,980	13,273	19,019
Furniture and equipment	4,800	4,951	9,600
Honoraria	1,800	-	-
Office and miscellaneous	12,300	12,257	12,102
Rental	-	-	12,000
Repairs and maintenance	-	16,500	413
Supplies and other	20,600	39,594	16,674
Telephone	13,887	9,089	10,447
Transportation	13,832	6,090	6,092
Travel and training	13,100	9,920	12,591
Utilities	18,480	7,218	6,078
Wages and benefits	396,168	361,589	422,486
	509,947	618,491	665,512
Deficit before transfers	(54,463)	(167,687)	(216,178)
Transfers between programs	-	167,687	260,889
Surplus (deficit)	(54,463)	-	44,711

Fort Nelson First Nation
Economic Development
Schedule 7 - Schedule of Revenue and Expenses
For the year ended March 31, 2017

	2017 Budget	2017	2016
Revenue			
Indigenous and Northern Affairs Canada	46,547	46,892	86,149
Other revenue	-	247	50,431
	46,547	47,139	136,580
Expenses			
Honoraria	11,000	19,338	13,450
Meeting and conventions	1,500	1,212	2,047
Office and miscellaneous	10,500	706	366
Professional fees	60,000	82,658	76,967
Telephone	720	1,464	802
Transportation	-	264	-
Travel and training	7,650	575	1,625
Wages and benefits	185,325	151,772	104,993
	276,695	257,989	200,250
Deficit before transfers	(230,148)	(210,850)	(63,670)
Transfers between programs	-	210,850	60,171
Surplus (deficit)	(230,148)	-	(3,499)

Fort Nelson First Nation
Education
Schedule 8 - Schedule of Revenue and Expenses
For the year ended March 31, 2017

	2017 Budget	2017	2016
Revenue			
Indigenous and Northern Affairs Canada	1,319,059	2,012,708	1,617,521
Province of British Columbia	956,226	798,226	693,046
First Nations Education Steering Committee	211,660	453,839	215,957
Government of Canada	-	6,232	89,560
First Nations Heath Authority	-	5,000	-
Other revenue	127,995	270,684	155,995
	2,614,940	3,546,689	2,772,079
Expenses			
Administration	1,200	2,894	1,530
Amortization	-	391,952	393,387
Busing	-	140,932	115,543
CEP Education Credits	-	6,232	77,265
Community programs	-	3,910	2,209
Furniture and equipment	7,992	40	5,504
Honoraria	-	22,939	1,825
Insurance	27,200	25,102	28,000
Nominal roll tuition fees	-	353,224	-
Post secondary allowances	593,194	472,537	509,323
Professional fees	179,990	36,318	20,170
Repairs and maintenance	112,500	114,488	111,847
Student incentives	97,208	71,224	153,268
Supplies and other	291,538	234,686	259,581
Telephone	26,840	23,804	26,020
Transportation	-	4,895	2,696
Travel and training	47,545	47,306	36,011
Utilities	54,000	46,716	46,079
Wages and benefits	2,231,009	2,268,142	2,481,981
	3,670,216	4,267,341	4,272,239
Deficit before transfers	(1,055,276)	(720,652)	(1,500,160)
Transfers between programs	-	720,652	1,500,160
Surplus (deficit)	(1,055,276)	-	-

Fort Nelson First Nation
Health
Schedule 9 - Schedule of Revenue and Expenses
For the year ended March 31, 2017

	2017 Budget	2017	2016
Revenue			
Indigenous and Northern Affairs Canada	6,500	6,500	7,344
First Nations Heath Authority	845,530	863,904	811,680
First Nations Education Steering Committee	-	16,668	-
Other revenue	1,600	3,558	1,992
	853,630	890,630	821,016
Expenses			
Administration	-	1,468	589
Amortization	-	129,629	133,862
Community programs	331,901	299,661	324,604
Honoraria	-	1,200	-
Insurance	2,700	-	-
Meeting and conventions	-	219	-
Office and miscellaneous	-	1,167	105
Professional fees	30,000	49,829	33,187
Repairs and maintenance	600	-	-
Supplies and other	19,564	17,738	13,532
Telephone	21,747	23,464	22,283
Transportation	14,338	3,141	1,560
Travel and training (recovery)	6,200	(844)	6,205
Utilities	16,200	13,596	24,492
Wages and benefits	629,789	604,032	559,053
	1,073,039	1,144,300	1,119,472
Deficit before transfers	(219,409)	(253,670)	(298,456)
Transfers between programs	-	272,929	288,765
Surplus (deficit)	(219,409)	19,259	(9,691)

Fort Nelson First Nation
Housing
Schedule 10 - Schedule of Revenue and Expenses
For the year ended March 31, 2017

	2017 <i>Budget</i>	2017	2016
Revenue			
Indigenous and Northern Affairs Canada	-	15,342	-
Province of British Columbia	-	-	35,802
Rental income	254,920	226,337	221,213
Canada Mortgage and Housing Corporation	125,234	268,306	82,266
Interest income	-	2,254	2,349
Other revenue	10,000	-	-
	390,154	512,239	341,630
Expenses			
Administration	18,216	17,381	13,061
Amortization	70,755	217,175	196,237
Insurance	42,416	49,085	40,213
Interest on long-term debt	86,975	33,930	30,460
Office and miscellaneous	-	-	34,249
Professional fees	5,700	4,200	3,420
Repairs and maintenance	207,145	463,924	110,526
Supplies and other	6,750	7,910	4,592
Telephone	1,500	3,414	6,831
Transportation	2,400	765	886
Travel and training	-	2,012	144
Utilities	50,704	35,170	28,568
Wages and benefits	85,748	100,123	129,282
	578,309	935,089	598,469
Deficit before transfers	(188,155)	(422,850)	(256,839)
Transfers between programs	-	495,784	296,516
Surplus (deficit)	(188,155)	72,934	39,677

Fort Nelson First Nation
Lands Resources
Schedule 11 - Schedule of Revenue and Expenses
For the year ended March 31, 2017

	2017 Budget	2017	2016
Revenue			
Indigenous and Northern Affairs Canada	272,055	591,029	-
Province of British Columbia	446,850	557,218	779,206
BC Hydro	48,000	-	14,864
Government of Canada	390,000	173,810	1,434
North East Native Advancing Agency	19,775	19,775	673
First Nations Education Steering Committee	-	18,168	-
Lands rebilling	82,728	121,467	306,194
Other revenue	113,224	349,215	135,553
Opening deferred revenue	1,800	39,269	32,650
Closing deferred revenue	-	(33,177)	(39,269)
	1,374,432	1,836,774	1,231,305
Expenses			
Administration	1,000	6,798	-
Amortization	-	165,055	137,348
Community programs	135,675	120,385	97,843
Furniture and equipment	71,681	54,164	9,273
Honoraria	17,050	4,624	10,003
Lands rebilling	53,400	77,523	271,987
Meeting and conventions	2,500	2,441	1,772
Office and miscellaneous	51,600	5,229	13,155
Professional fees	405,148	476,905	208,609
Rental	-	32,400	-
Supplies and other	72,939	39,172	60,758
Telephone	16,357	14,678	17,635
Transportation	12,905	27,322	8,516
Travel and training	150,249	64,837	29,497
Utilities	35,582	4,307	5,288
Wages and benefits	467,312	472,702	588,472
	1,493,398	1,568,542	1,460,156
Surplus (deficit) before transfers	(118,966)	268,232	(228,851)
Transfers between programs	-	373,915	227,881
Surplus (deficit)	(118,966)	642,147	(970)

Fort Nelson First Nation
Other Investments
Schedule 12 - Schedule of Revenue and Expenses
For the year ended March 31, 2017

	2017 Budget	2017	2016 Note 22
Revenue			
Interest income	300,000	309,456	332,693
Income from portfolio investments	554,000	630,087	221,515
672465 B.C. Ltd. (loss)	-	(116,100)	(171,298)
Eh Cho Dene GP Ltd. (loss)	-	(2,327)	(3,926)
Eh Cho Dene Enterprises Limited Partnership (loss)	-	(1,046,837)	(2,842,320)
Income from investment in partnership	1,256,173	206,178	2,891,137
Lease income	49,091	46,299	47,863
Royalties and dues	75,273	11,111	74,309
Liard Hotsprings Lodge (FNFN) Ltd.	-	406,744	851,505
Fort Nelson First Nation Future Generations Trust	-	69,557	372,180
Waterways Communication Limited Partnership	-	102,387	31,269
FNFN Gravel Pits Ltd.	-	30,929	-
Property taxation	46,000	50,771	6,775
New Horizons Trust distribution	-	10,064,663	385,573
	2,280,537	10,762,918	2,197,275
Expenses			
Administration	-	-	2,887
Amortization	-	46,006	56,092
Bank charges and interest	-	16,189	35,824
Contribution to trust	-	385,624	468,765
Cost of goods sold	-	258,269	406,238
Distribution to minors	-	360,000	300,000
Insurance	-	19,702	22,878
Office and miscellaneous	-	22,931	22,284
Professional fees	800	33,935	73,980
Property tax	18,264	23,541	27,097
Repairs and maintenance	-	49,391	560,395
Telephone	-	10,358	13,845
Transportation	-	3,927	15,700
Travel and training	-	893	1,391
Utilities	-	90,503	68,779
Wages and benefits	-	137,486	323,581
	19,064	1,458,755	2,399,736
Surplus (deficit) before transfers	2,261,473	9,304,163	(202,461)
Transfers between programs	-	(5,710,399)	10,497
Surplus (deficit)	2,261,473	3,593,764	(191,964)

Fort Nelson First Nation
Social Services
Schedule 13 - Schedule of Revenue and Expenses
For the year ended March 31, 2017

	2017 Budget	2017	2016
Revenue			
Indigenous and Northern Affairs Canada	365,259	552,708	547,682
Province of British Columbia	134,382	123,885	70,023
Department of Justice Canada	72,130	72,130	78,485
First Nations Heath Authority	-	-	6,000
Government of Canada	-	25,000	25,000
Other revenue	109,450	65,718	32,368
Closing deferred revenue	-	(23,000)	-
	681,221	816,441	759,558
Expenses			
Administration	6,000	6,000	6,000
Amortization	-	9,589	14,897
Community programs	82,268	118,241	207,893
Elders' services	168,500	155,523	144,503
Furniture and equipment	1,800	1,377	1,377
Honoraria	18,000	10,151	8,912
Office and miscellaneous	-	291	-
Professional fees	-	4,051	-
Rental	6,000	6,000	6,000
Repairs and maintenance	480	-	-
Social services payments	251,628	352,854	299,294
Supplies and other	17,700	10,765	16,240
Telephone	11,390	13,413	12,324
Transportation	22,018	9,131	11,842
Travel and training	28,800	28,611	19,940
Utilities	5,464	7,953	5,233
Wages and benefits	448,748	428,751	517,095
	1,068,796	1,162,701	1,271,550
Deficit before transfers	(387,575)	(346,260)	(511,992)
Transfers between programs	-	321,261	453,818
Deficit	(387,575)	(24,999)	(58,174)