
**YAKWEAKWIOOSE FIRST NATION
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED
MARCH 31, 2018**





INDEPENDENT AUDITORS' REPORT

To the Members of:
Yakweakwioose First Nation

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Yakweakwioose First Nation which comprise the consolidated statement of financial position as at March 31, 2018, and the consolidated statements of operations, changes in net assets and cash flows for the year then ended, and the related notes comprising 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 our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider 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 in our audit 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 Yakweakwioose First Nation as at March 31, 2018, and the results of its operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Manning Elliott LLP

Chartered Professional Accountants

Abbotsford, British Columbia

October 15, 2018

YAKWEAKWIOOSE FIRST NATION
RR 2, 7176 Chilliwack River Road
Chilliwack, BC V2R 1B2

MANAGEMENT'S REPORT

Management's Responsibility for the Financial Statements

These consolidated financial statements have been prepared by management in accordance with Canadian public sector accounting standards, and the integrity and objectivity of these statements are management's responsibility. Management is also responsible for all of the notes to the financial statements, and for ensuring that this information is consistent, where appropriate, with the information contained in the financial statements. A summary of the significant accounting policies are described in Note 1 to the financial statements. The preparation of financial statements necessarily involves the use of estimates based on management's judgment, particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods.

Management is also responsible for implementing and maintaining a system of internal controls to provide reasonable assurance that reliable financial information is produced. The internal controls are designed to provide reasonable assurance that assets are safeguarded, transactions are properly authorized and recorded in compliance with legislative and regulatory requirements, and reliable financial information is available on a timely basis for preparation of the financial statements.

The Council is responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control, and exercises these responsibilities through the Council. The Council reviews internal financial statements on a monthly basis and external audited financial statements yearly. The Council also discusses any significant financial reporting or internal control matters prior to its approval of the financial statements.

The external auditors, Manning Elliott Accountants and Business Advisors, conduct an independent examination, in accordance with Canadian generally accepted auditing standards, and express their opinion on the financial statements. The external auditors have full and free access to the financial management of the Yakweakwioose First Nation and we meet when required. The accompanying Independent Auditors' Report re-iterates management's responsibility for the financial statements, outlines the auditors' responsibilities, the scope of their examination and their opinion on the financial statements.

On behalf of the Yakweakwioose First Nation:



Name: Terry Horne

Title: Chief

Date: Oct. 15, 2018



Name: Nicole LaRoc



Title: Councillor

Date: October 15, 2018

YAKWEAKWIOOSE FIRST NATION
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2018

	2018	2017
FINANCIAL ASSETS		
Cash	\$ 554,999	\$ 1,032,708
Accounts receivable	74,794	9,024
Trust funds held by Federal Government (Note 2)	84	84
Investment in Government Business Enterprises (Note 3)	122,744	140,240
Investment in Government Business Partnerships (Note 4)	2,585,617	2,348,795
	\$ 3,338,238	\$ 3,530,851
FINANCIAL LIABILITIES		
Accounts payable and accrued liabilities	\$ 54,130	\$ 321,020
Deferred revenue- INAC	-	53,068
	54,130	374,088
NET FINANCIAL ASSETS	3,284,108	3,156,763
NON-FINANCIAL ASSETS		
Property and Equipment (Note 5)	1,961,720	1,944,889
ACCUMULATED SURPLUS	\$ 5,245,828	\$ 5,101,652

Approved on behalf of the Council:

	Chief	_____	Councilor
	Councilor	_____	Councilor



YAKWEAKWIOOSE FIRST NATION
CONSOLIDATED STATEMENT OF OPERATIONS
FOR THE YEAR ENDED MARCH 31, 2018

	2018	Budget	2017
REVENUE			
Federal Government			
INAC	\$ 118,890	\$ -	\$ 1,653,423
Ottawa Trust Revenue	166	-	165
Rental revenue	-	-	5,500
Investment income	219,326	-	445,908
Sto:lo Nation	5,828	-	5,828
First Nations Education Steering Committee	3,358	-	29,754
Other	24,957	-	13,363
Canada Mortgage and Housing Corporation	68,508	-	-
Sto:lo Nation - HRDC	10,708	-	-
	451,741	-	2,153,941
EXPENSES			
Administration	144,592	-	169,410
Amortization	49,542	-	45,862
Band distribution expense	4,000	-	36,000
Residential rehabilitation assistance - CMHC	70,108	-	-
Maintenance	39,323	-	36,732
	307,565	-	288,004
EXCESS OF REVENUE OVER EXPENSES FOR THE YEAR	144,176	-	1,865,937
NET ASSETS, BEGINNING OF YEAR	5,101,652	5,101,652	3,235,715
NET ASSETS, END OF YEAR	\$ 5,245,828	\$ 5,101,652	\$ 5,101,652



YAKWEAKWIOOSE FIRST NATION**CONSOLIDATED STATEMENT OF CHANGES IN NET ASSETS****FOR THE YEAR ENDED MARCH 31, 2018**

	2018	2017
EXCESS OF REVENUE OVER EXPENSES FOR THE YEAR	\$ 144,176	\$ 1,865,937
Purchase of tangible capital assets	(66,374)	(1,604,684)
Amortization	49,543	45,861
	(16,831)	(1,558,823)
CHANGES IN NET FINANCIAL ASSETS	127,345	307,114
BALANCE, BEGINNING OF YEAR	3,156,763	2,849,649
BALANCE, END OF YEAR	\$ 3,284,108	\$ 3,156,763



YAKWEAKWIOOSE FIRST NATION
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED MARCH 31, 2018

	2018	2017
CASH FROM (USED IN):		
OPERATING ACTIVITIES		
Excess of revenue over expenses for the year	\$ 144,176	\$ 1,865,937
Items not involving cash:		
Amortization of tangible capital assets	49,543	45,862
	193,719	1,911,799
Change in non-cash working capital items:		
Accounts receivable	(65,770)	(2,659)
Due from government and other government organizations	-	786,878
Accounts payable and accrued liabilities	(266,890)	80,315
Deferred revenue	(53,068)	(473,052)
	(192,009)	2,303,281
CAPITAL AND INVESTING TRANSACTIONS		
Purchase of tangible capital assets	(66,374)	(1,604,684)
Investments	(219,326)	(46,957)
	(285,700)	(1,651,641)
INCREASE (DECREASE)		
IN CASH AND EQUIVALENTS DURING THE YEAR	(477,709)	651,640
CASH AND EQUIVALENTS, BEGINNING OF YEAR	1,032,792	381,152
CASH AND EQUIVALENTS, END OF YEAR	\$ 555,083	\$ 1,032,792
Cash	\$ 554,999	\$ 1,032,708
Ottawa Trust Funds	84	84
	\$ 555,083	\$ 1,032,792



YAKWEAKWIOOSE FIRST NATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2018

NATURE OF OPERATIONS

The Yakweakwioose First Nation is located in the province of British Columbia and provides various services to its members. Yakweakwioose First Nation is a member government of the Sto:lo Nation. Yakweakwioose First Nation includes its members, government and all related entities that are accountable to the First Nation and are either owned or controlled by the First Nation.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These consolidated financial statements have been prepared in accordance with Canadian public sector accounting standards prescribed for governments as recommended by the Public Sector Accounting Board of the Canadian Chartered Professional Accountants. Significant aspects of the accounting policies adopted by the Band are as follows:

a) Reporting entity

The consolidated financial statements reflect the assets, liabilities, revenue, expenses and accumulated surplus of the reporting entity. The reporting entity is comprised of all organizations, committees and departments accountable for the administration of their financial affairs and resources to the Band which are owned or controlled by the Band.

b) Principles of consolidation

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

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

Organizations accounted for on a modified equity basis include:

- Ch-ihl-kway-uhk Tribe Society
- Ch-ihl-kway-uhk Forestry Limited Partnership
- Ch-ihl-kway-uhk Forestry Ltd.
- Centre Creek Limited Partnership
- Centre Creek Management Ltd.
- Seven Generations Environmental Services Ltd.
- Ts'elxweyew Tribe Management Ltd.
- Ts'elxweyew Tribe Limited Partnership

c) Cash and cash equivalents

Cash and cash equivalents include cash on hand, balances with banks net of bank overdrafts which are held for the purpose of meeting short-term cash commitments.



YAKWEAKWIOOSE FIRST NATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2018

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

d) Tangible capital assets

Tangible capital assets are initially recorded at cost, which includes amounts that are directly related to the acquisition, design, construction, development, improvement or betterment of the assets. Cost includes overhead directly attributable to construction and development, as well as interest costs that are directly attributable to the acquisition or construction of the asset. The cost, less residual value, of the tangible capital assets are recognized at a nominal value. Infrastructure assets acquired prior to 1996 are the only assets where nominal values were assigned.

For all other assets, one-half of amortization is charged in the year of acquisition. No amortization is taken in the year of disposal.

Amortization is provided for on a straight-line basis over their estimated useful lives as follows:

Housing	40 years
Automotive and tractors	10 years
Office equipment	10 years
Sewer system	50 years

e) Revenue recognition

Revenues are recognized in the period in which the transactions or events occurred that gave rise to the revenues. All revenues are recorded on an accrual basis, except when the accruals cannot be determined with a reasonable degree of certainty or when their estimation is impracticable.

Government transfers are recognized as revenues when the transfer is authorized and any eligibility criteria are met, except to the extent that transfer stipulations give rise to an obligation that meets the definition of a liability. Transfers are recognized as deferred revenue when transfer stipulations give rise to a liability. Transfer revenue is recognized in the statement of operations as the stipulation liabilities are settled.

Investment and interest income earned are recognized in the period the income is earned.

Contracting and grant revenues are recognized as they become receivable under the terms of applicable agreements.

Revenues received which relate to a subsequent fiscal period are reflected as deferred revenue in the year of receipt and classified as such in the statement of financial position.

f) Use of estimates

In preparing the consolidated financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts, 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 year. These estimates and assumptions are reviewed periodically and, as adjustments become necessary they are reported in earnings in the period in which they become known.



YAKWEAKWIOOSE FIRST NATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2018

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

g) Asset classification

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

h) Net financial assets

The Band's financial statements are presented to highlight net financial assets as the measurement of financial position. The net financial assets of the Band is determined by its financial assets less its liabilities. Net financial assets are comprised of two components, non-financial assets and accumulated surplus.

2. TRUST FUNDS HELD BY FEDERAL GOVERNMENT

	2017	Additions	Withdrawals	2018
Capital fund	\$ 84	\$ 160	\$ 160	\$ 84

The trust funds arise from monies 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. The management of these funds is primarily governed by Sections 63 to 69 of the Indian Act.



YAKWEAKWIOOSE FIRST NATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2018

3. INVESTMENT IN GOVERNMENT BUSINESS ENTERPRISES

Yakweakwioose First Nation's investments in government business enterprises consist of the following:

			2018	2017
Ch-ihl-kway-uhk Tribe Society	1/9 ownership	\$	60,790	\$ 57,110
Ts'elxweyeqw Tribe Management Ltd.	1/7 ownership		1	1
Ch-ihl-kway-uhk Forest Ltd.	1/8 ownership		10	10
Ch-ihl-kway-uhk Forest Ltd. - shares	1/8 ownership		5,749	5,749
Centre Creek Management Ltd.	1/8 ownership		10	10
Seven Generations Environmental Services Ltd.	1/6 ownership		56,184	77,360
		\$	122,744	\$ 140,240

Ch-ihl-kway-uhk Tribe Society operates property rental and management activities.

Ts'elxweyeqw Tribe Management Limited is the general partner for Ts'elxweyeqw Tribe Limited Partnership and Ts'elxweyeqw Forestry Limited Partnership. Its financial information is consolidated into the financial information for Ts'elxweyeqw Tribe Limited Partnership in Note 4.

Ch-ihl-kway-uhk Forestry Ltd. is the general partner for Ch-ihl-kway-uhk Forestry Limited Partnership. Its financial information is consolidated into the financial information for Ch-ihl-kway-uhk Forestry Limited Partnership in Note 4.

Centre Creek Management Ltd. is the general partner for Centre Creek Limited Partnership. Its financial information is consolidated into the financial information for Centre Creek Limited Partnership in Note 4.

Seven Generations Environmental Services Ltd. is in the business of environmental monitoring.

The summary of the unaudited financial statements for the year ended March 31, 2018 is as follows:

	Ch-ihl-kway-uhk Tribe Society	Seven Generations Environmental Services Ltd.	2018	2017
Current assets	\$ 448,586	\$ 452,033	\$ 900,619	\$ 846,879
Capital assets	103	32,401	32,504	43,174
Due from related party	128,897	-	128,897	128,897
Total assets	577,586	484,434	1,062,020	1,018,950
Current liabilities	30,479	147,327	177,806	40,797
Due to shareholders	-	353,258	353,258	353,258
Total liabilities	30,479	500,585	531,064	394,055
Equity	547,107	(16,151)	530,956	624,895
Total liabilities and equity	\$ 577,586	\$ 484,434	\$ 1,062,020	\$ 1,018,950
Revenue	\$ 70,094	\$ 326,726	\$ 396,820	\$ 352,370
Expenses	36,977	453,782	490,759	477,628
Net income (loss)	\$ 33,117	\$ (127,056)	\$ (93,939)	\$ (125,258)



YAKWEAKWIOOSE FIRST NATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2018

4. INVESTMENT IN GOVERNMENT BUSINESS PARTNERSHIPS

Yakweakwioose First Nation's investments in government business partnerships consist of the following:

			2018	2017
Ch-ihl-Kway-Uhk Forestry Limited Partnership	11/89 ownership	\$	91,865	\$ 43,700
Centre Creek Limited Partnership	1/9 ownership		179,453	180,302
Ts'elxweyeqx Tribe Limited Partnership	10/71 ownership		2,314,299	2,124,793
		\$	2,585,617	\$ 2,348,795

Ch-ihl-Kway-Uhk Forestry Limited Partnership is in the business of developing, operating and participating in various forestry operations and activities in and around Chilliwack, B.C.

Centre Creek Partnership is in the business of purchasing or otherwise acquiring real and personal property of all kinds located in the Chilliwack River Valley. The partnership is also responsible for managing the acquired properties.

Ts'elxweyeqx Tribe Limited Partnership is in the business of managing the activities of Ts'elxweyeqx Forestry Limited Partnership to ensure the protection of the tribe's interests and heritage.

The SHAC Joint Venture is in the business of managing the settlement of funds received from BC Hydro for the ILM transmission line project. The Joint Venture was dissolved during the year.

The summary of the unaudited financial statements for the year ended March 31, 2018 is as follows:

	Ch-ihl-Kway-Uhk (consolidated)	Centre Creek (consolidated)	2018	2017
Current assets	\$ 891,415	\$ 21,834	\$ 913,249	\$ 597,074
Capital assets	-	2,388,915	2,388,915	2,424,286
Due from related parties	52,200	-	52,200	47,821
Total assets	943,615	2,410,749	3,354,364	3,069,181
Current liabilities	104,207	16,328	120,535	178,555
Due to related parties	-	530,704	530,704	530,704
Long-term debt	-	309,269	309,269	352,416
Total liabilities	104,207	856,301	960,508	1,061,675
Equity	839,408	1,554,448	2,393,856	2,007,506
Total liabilities and equity	\$ 943,615	\$ 2,410,749	\$ 3,354,364	\$ 3,069,181
Revenue	\$ 1,088,705	\$ 104,400	\$ 1,193,105	\$ 131,131
Expenses	694,630	112,119	806,749	160,903
Net income	\$ 394,075	\$ (7,719)	\$ 386,356	\$ (29,772)



YAKWEAKWIOOSE FIRST NATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2018

4. INVESTMENT IN GOVERNMENT BUSINESS PARTNERSHIPS (Continued)

	2018	2017
Ts'elxweyeqw Tribe Limited Partnership		
Current assets	\$ 12,983,753	\$ 11,211,067
Capital assets	12,242	18,435
Due from related parties	2,797,307	4,018,623
Total assets	15,793,302	15,248,125
Current liabilities	265,826	601,695
Deferred revenue	-	329,398
Long-term debt	-	-
Total liabilities	265,826	931,093
Equity	15,527,476	14,317,032
Total liabilities and equity	\$ 15,793,302	\$ 15,248,125
Revenue	\$ 2,679,265	\$ 4,864,790
Expenses	1,467,250	1,336,149
Net income	\$ 1,212,015	\$ 3,528,641



YAKWEAKWIOOSE FIRST NATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2018

5. PROPERTY AND EQUIPMENT

			2018	2017
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Housing	\$ 352,154	\$ 231,763	\$ 120,391	\$ 110,933
Office Equipment	692	692	-	-
Tractors, Van & Mowers	64,961	23,026	41,935	13,172
Sewer System	1,874,034	74,640	1,799,394	1,820,784
	\$ 2,291,841	\$ 330,121	\$ 1,961,720	\$ 1,944,889

6. SEGMENTED INFORMATION

The Yakweakwioose First Nation is a government institution that provides a range of programs and services to its members, including community operations, government business enterprises, capital projects, and tangible capital assets. For management reporting purposes, the First Nation's operations and activities are organized and reported by fund. Funds were created for the purpose of recording specific activities to attain certain objectives in accordance with special regulations, restrictions or limitations.

First Nation services are provided for departments and their activities are reported in these funds. Certain departments that have been separately disclosed in the segmented information.



**YAKWEAKWIOOSE FIRST NATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2018**

6. SEGMENTED INFORMATION CONT'D

	Community Operations	Government Business Enterprises	Capital Projects	Tangible Capital Asset Fund	2018	2017
Revenue						
I.N.A.C	\$ 65,822	\$ -	\$ 53,068	\$ -	\$ 118,890	\$ 1,653,423
F.N.E.S.C.	3,358	-	-	-	3,358	29,754
Sto:lo Nation - Brighter Future	5,828	-	-	-	5,828	5,828
GBE Investment income (Note 4)	-	219,326	-	-	219,326	445,908
Sto:lo Nation - HRDC	10,708	-	-	-	10,708	-
Interest income	166	-	-	-	166	165
Canada Mortgage Housing Corporation	68,508	-	-	-	68,508	-
Other income & reimbursements	24,957	-	-	-	24,957	18,863
	<u>179,347</u>	<u>219,326</u>	<u>53,068</u>	<u>-</u>	<u>451,741</u>	<u>2,153,941</u>
Expenditures by object						
Amortization	-	-	-	49,542	49,542	45,862
Accounting services	39,672	-	-	-	39,672	39,514
Audit	10,624	-	-	-	10,624	9,450
Band distribution expense	4,000	-	-	-	4,000	36,000
Bank charges and interest	271	-	-	-	271	518
Brighter Futures Program	6,823	-	-	-	6,823	12,424
Equipment purchases	4,250	-	-	-	4,250	7,606
Honoraria	26,550	-	-	-	26,550	32,165
Insurance	1,486	-	-	-	1,486	16,049
Legal fees	-	-	-	-	-	3,780
Maintenance contract	11,500	-	-	-	11,500	16,000
Materials, supplies & repairs	8,691	-	-	-	8,691	3,907
Meetings and travel	10,915	-	-	-	10,915	7,895
Office	8,356	-	-	-	8,356	2,458
Professional fees	1,550	-	-	-	1,550	4,723
Rent	200	-	-	-	200	-
Repairs and maintenance	72,852	-	-	-	72,852	80
Telephone and fax	492	-	-	-	492	2,084
Utilities	21,473	-	-	-	21,473	17,643
Wages and benefits	28,318	-	-	-	28,318	29,846
	<u>258,023</u>	<u>-</u>	<u>-</u>	<u>49,542</u>	<u>307,565</u>	<u>288,004</u>
Annual Surplus (Deficit)	(78,676)	219,326	53,068	(49,542)	144,176	1,865,937
Transfer between funds	-	-	-	-	-	-
Surplus, Beginning of year	38,055	3,136,022	1,592,371	335,204	5,101,652	3,235,715
Accumulated Surplus(Deficit), end of year	<u>\$ (40,621)</u>	<u>\$ 3,355,348</u>	<u>\$ 1,645,439</u>	<u>\$ 285,662</u>	<u>\$ 5,245,828</u>	<u>\$ 5,101,652</u>