

TSAY KEH DENE NATION
CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2016

**TSAY KEH DENE NATION
CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2016**

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TSAY KEH DENE

Chief Dennis Izony
Executive Director Adi Sulaeman

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MANAGEMENT'S RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The accompanying consolidated financial statements of Tsay Keh Dene Nation are the responsibility of management and have been approved by the Chief and Council.

The consolidated financial statements have been prepared by management in accordance with Canadian public sector accounting standards prescribed for governments as recommended by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada and as such include amounts that are the best estimates and judgments of management.

Management is responsible for the integrity and objectivity of these statements and for implementing and maintaining a system of internal control to provide reasonable assurance that reliable financial information is produced.

The Chief and Council are responsible for ensuring that management fulfils its responsibilities for financial reporting and internal control and are ultimately responsible for reviewing and approving the consolidated financial statements.

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

The external auditors, Brent Bursey & Company Inc., Chartered Professional Accountants, conduct an independent examination, in accordance with Canadian auditing standards, and express their opinion on the consolidated financial statements. The external auditors have full and free access to financial management of Tsay Keh Dene Nation and meet when required.

On behalf of Tsay Keh Dene Nation:


Chief


Councillor


Councillor

INDEPENDENT AUDITORS' REPORT

To the Members of Tsay Keh Dene Nation:

We have audited the accompanying consolidated financial statements of Tsay Keh Dene Nation, which comprise the consolidated statement of financial position as at March 31, 2016 and the consolidated statements of operations, changes in net financial assets, and cash flows for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the 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

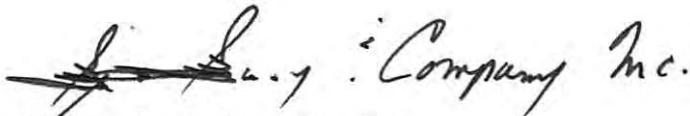
Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain 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' judgement, including the assessment of the risk 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 Tsay Keh Dene Nation as at March 31, 2016 and the results of its operations, changes in its net financial assets and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.



Chartered Professional Accountants

October 25, 2016

Prince George, British Columbia

TSAY KEH DENE NATION
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
MARCH 31, 2016

	2016	2015
FINANCIAL ASSETS		
Cash (Note 2)	\$ 875,502	\$ 1,426,997
Accounts receivable (Note 3)	2,099,073	1,649,399
Inventory for resale (Note 4)	172,459	178,224
Restricted cash (Note 5)	830,792	227,435
Guaranteed investment certificates	-	590,076
Endowment and trust funds (Note 6)	19,880,694	20,859,648
Investments in government business enterprises (Note 7)	3,864,178	4,713,905
Investments (Note 8)	168,970	219,909
Ottawa trust assets (Note 9)	36,810	34,955
	<u>27,928,478</u>	<u>29,900,548</u>
LIABILITIES		
Accounts payable and accrued liabilities (Note 10)	1,376,382	1,766,594
Deferred revenue (Note 11)	352,978	418,955
Long-term debt (Note 12)	940,936	935,581
Treaty negotiation loan (Note 13)	7,776,914	7,500,354
Replacement reserve (Note 14)	161,915	151,047
	<u>10,609,125</u>	<u>10,772,531</u>
NET FINANCIAL ASSETS	<u>17,319,353</u>	<u>19,128,017</u>
NON-FINANCIAL ASSETS		
Tangible capital assets (Note 15)	23,750,174	23,595,715
Prepaid assets	103,906	80,801
	<u>23,854,080</u>	<u>23,676,516</u>
ACCUMULATED SURPLUS	<u>\$ 41,173,433</u>	<u>\$ 42,804,533</u>
CONTINGENT LIABILITIES (Note 16)		

The accompanying notes are an integral part of these consolidated financial statements.

Approved on behalf of Tsay Keh Dene Nation:

 Chief

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Councillor

 Councillor

TSAY KEH DENE NATION
CONSOLIDATED STATEMENT OF OPERATIONS
YEAR ENDED MARCH 31, 2016

	Budget	2016	2015
REVENUE			
Indigenous and Northern Affairs Canada	\$ 2,551,983	\$ 3,308,068	\$ 3,279,755
First Nations Health Authority	787,137	848,869	715,407
Province of British Columbia	248,518	586,365	301,944
BC Hydro	2,411,843	2,203,584	2,173,103
Ingenika Trading Post	-	2,043,295	1,918,243
Interest	-	35,464	408,885
Rent and other	2,321,898	1,327,723	2,278,108
Gain on disposal of tangible capital assets	-	4,319	-
Unrealized gain on investment	-	-	70,759
Income from investments in government business entities	-	180,629	1,538,571
Ottawa trust funds	-	1,855	1,907
	8,321,379	10,540,171	12,686,682
EXPENDITURE			
Economic development	737,568	779,631	766,041
Education and training	1,829,893	1,596,824	1,608,818
Government development and administration	1,571,834	1,917,855	1,653,087
Health services	995,503	1,030,694	1,406,564
Housing	529,064	512,838	68,796
Ingenika Trading Post	-	2,084,725	2,049,853
Public works operations and maintenance	938,482	1,132,414	1,550,297
Social and community services	1,397,046	1,225,951	748,238
Treaty claims and negotiations	351,242	348,954	461,111
Loss from investments in government business entities	-	177,135	27,426
Unrealized loss on investment	-	50,939	-
Trust management fees	-	141,185	128,854
Interest	2,000	32,936	39,559
Amortization	-	1,184,535	1,137,395
	8,352,632	12,216,616	11,646,039
ANNUAL (DEFICIT) SURPLUS	(31,253)	(1,676,445)	1,040,643
ACCUMULATED SURPLUS, BEGINNING OF YEAR	42,804,533	42,804,533	40,334,535
(RECOVERY) REIMBURSEMENT BY			
Indigenous and Northern Affairs Canada	(23,782)	(23,782)	-
First Nations Health Authority	-	-	95,674
DECREASE IN DEFERRED REVENUE	200,000	69,127	1,333,681
ACCUMULATED SURPLUS, END OF YEAR	\$ 42,949,498	\$ 41,173,433	\$ 42,804,533

The accompanying notes are an integral part of these consolidated financial statements.

TSAY KEH DENE NATION
CONSOLIDATED STATEMENT OF CHANGES IN NET FINANCIAL ASSETS
YEAR ENDED MARCH 31, 2016

	Budget	2016	2015
Annual (deficit) surplus	\$ (31,253)	\$ (1,676,445)	\$ 1,040,643
Reimbursement by First Nations Health Authority	-	-	95,674
Recovery by Indigenous and Northern Affairs Canada	(23,782)	(23,782)	-
Decrease in deferred revenue	<u>200,000</u>	69,127	<u>1,333,681</u>
	<u>144,965</u>	(1,631,100)	<u>2,469,998</u>
Acquisition of tangible capital assets	(570,000)	(1,344,675)	(1,631,875)
Amortization	-	1,184,535	1,137,395
Proceeds on disposal of tangible capital assets	-	10,000	17,030
Gain on disposal of tangible capital assets	-	(4,319)	-
	<u>(570,000)</u>	(154,459)	<u>(477,450)</u>
(Acquisition) use of prepaid expenditure	-	(23,105)	<u>28,742</u>
(DECREASE) INCREASE IN NET FINANCIAL ASSETS	(425,035)	(1,808,664)	<u>2,021,290</u>
NET FINANCIAL ASSETS, BEGINNING OF YEAR	<u>19,128,017</u>	19,128,017	<u>17,106,727</u>
NET FINANCIAL ASSETS, END OF YEAR	<u>\$ 18,702,982</u>	<u>\$ 17,319,353</u>	<u>\$ 19,128,017</u>

The accompanying notes are an integral part of these consolidated financial statements.

TSAY KEH DENE NATION
CONSOLIDATED STATEMENT OF CASH FLOWS
YEAR ENDED MARCH 31, 2016

	2016	2015
OPERATING TRANSACTIONS		
Annual (deficit) surplus	\$ (1,676,445)	\$ 1,040,643
Reimbursement by First Nations Health Authority	- (23,782)	95,674 -
Recovery by Indigenous and Northern Affairs Canada	69,127	1,333,681
Decrease in deferred revenue	10,868	10,868
Items not involving cash	1,184,535	1,137,395
Allocation to replacement reserve	(3,494)	(1,511,145)
Amortization	(4,319)	-
Income from government business entities	50,939	(70,759)
Gain on disposal of tangible capital assets	(392,571)	2,036,357
Unrealized loss (gain) on investment	(449,674)	797,612
Cash (used in) provided by operating activities	5,765	(34,948)
Accounts receivable	(1,855)	(1,907)
Inventory	(23,105)	28,742
Ottawa trust assets	(390,212)	(280,711)
Prepaid expenditure	(65,977)	(1,332,594)
Accounts payable and accrued liabilities	(1,317,629)	1,212,551
Deferred revenue		
CAPITAL TRANSACTIONS		
Purchase of tangible capital assets	(1,344,675)	(1,631,875)
Proceeds on disposal of tangible capital assets	10,000	17,030
	<u>(1,334,675)</u>	<u>(1,614,845)</u>
FINANCING TRANSACTIONS		
Proceeds of long-term debt	111,440	-
Repayment of long-term debt	(106,085)	(82,986)
Proceeds of treaty loan	276,560	368,800
	<u>281,915</u>	<u>285,814</u>
INVESTING TRANSACTIONS		
Purchase of share	(1)	-
Advances to government business entities	(142,250)	(147,910)
Advances from government business entities	286,985	147,218
Withdrawals from government business entities	708,487	-
Maturity of guaranteed investment certificates	590,076	20,862
Distribution from (to) endowment and trust funds	978,954	(292,648)
	<u>2,422,251</u>	<u>(272,478)</u>
INCREASE (DECREASE) DURING YEAR	51,862	(388,958)
CASH, BEGINNING OF YEAR	<u>1,654,432</u>	2,043,390
CASH, END OF YEAR	<u>\$ 1,706,294</u>	\$ 1,654,432
Cash, consists of		
Cash	\$ 875,502	\$ 1,426,997
Restricted cash	<u>830,792</u>	<u>227,435</u>
	<u>\$ 1,706,294</u>	<u>\$ 1,654,432</u>

The accompanying notes are an integral part of these consolidated financial statements.

TSAY KEH DENE NATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2016

1. BASIS OF PRESENTATION AND 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 Chartered Professional Accountants of Canada.

Reporting Entity and Principles of Financial Reporting

The Tsay Keh Dene Nation reporting entity includes the Tsay Keh Dene Nation government and all related entities which are either owned or controlled by the Tsay Keh Dene Nation.

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 or government business partnership, which are included in these financial statements on a modified equity basis. Inter-entity balances and transactions are eliminated upon consolidation.

Under the modified equity method of accounting, only Tsay Keh Dene Nation's investment in the government business enterprises or government business partnerships and their share of the entities' net income and other changes in equity are recorded. No adjustments are made for accounting policies of the entities that are different from those of Tsay Keh Dene Nation.

The consolidated financial statements include the following controlled entities:

- BC Hydro Trust Settlement Negotiations Agreement
- Tsay Keh Dene First Nation Negotiation Support Agreement
- Ingenika Trading Post (An Enterprise), an unincorporated business entity owned and operated by the Tsay Keh Dene Nation in the Tsay Keh Dene community

Government business enterprises, which are wholly-owned or significantly influenced by Tsay Keh Dene Nation and which are not dependent on the Nation for their continuing operations, included in the consolidated financial statements using the modified equity method are as follows:

- Chu-Cho Enterprises Ltd.
- Ingenika Logging Ltd.
- Tsay Keh Economic Development Corporation
- Tsay Keh Enterprises Ltd.
- Tsay Keh Holdings Ltd. (dba Tsay Keh Dene Outfitters)
- 0882074 B.C. Ltd.
- 1035969 B.C. Ltd.
- Three Feathers GP Ltd. (33.3%)

TSAY KEH DENE NATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2016

1. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES, continued

Government business partnerships, which Tsay Keh Dene Nation holds a limited partnership interest or significant influence and which are not dependent on the Nation for their continuing operations, included in the consolidated financial statements using the modified equity method are as follows:

- Chu Cho Industries Limited Partnership (99.99% interest)
- Tsay Keh Developments Limited Partnership (99.99% interest)
- Three Feathers Limited Partnership (33.33% interest)
- Tse Keh Nay (A Partnership) (33.33% interest)

Cash

Cash includes cash on hand, cash on deposit net of cheques issued and outstanding at the reporting date, and short-term deposits with maturity dates of less than 90 days.

Inventory

Inventory consists of goods available for sale and is valued at the lower of cost and net realizable value using the average cost method.

Tangible Capital Assets

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

Tangible capital assets are amortized using the declining balance method at rates calculated to amortize the cost less salvage value as follows:

Automotive equipment	30%
Buildings	4%
Computer equipment	30%
Equipment	20%
Furniture and office equipment	20%
Heavy duty equipment	30%
Housing	5%
Infrastructure	4%
Ingenika Trading Post	4-30%

In the year of acquisition, 50% of the annual amortization is expensed. Assets under construction are not amortized until the asset is available to be put into service.

TSAY KEH DENE NATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2016

1. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES, continued

Tangible Capital Assets, continued

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

Certain assets which have historical or cultural value, including works of art, historical documents and historical and cultural artifacts, are not recognized as tangible capital assets.

Revenue and Expenditure

Revenue and expenditure are recorded using the accrual basis of accounting. Revenue is recognized in the period in which the transactions or events occurred that gave rise to the revenue. Gains are recognized when realized. Items not practically measurable until cash is received are accounted for at that time.

Government transfers are recognized as revenue 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 and recognized in the statement of operations as the stipulation liabilities are settled.

Contributions from other sources are deferred when restrictions are placed on their use by the contributor, and are recognized as revenue when used for the specific purpose.

Funding Recoveries and Reimbursements

Funding received from federal government sources in the form of conditional transfer payments are subject to recovery, by the Crown, of unexpended balances or unallowable expenses. The Crown may also reimburse over expenditures upon determining adherence to the terms and conditions of payment for a specified purpose. Recoveries and reimbursements are accounted for when they are paid or payable or received or receivable.

Measurement Uncertainty

The preparation of financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenditure during the reporting period. Significant areas requiring the use of management estimates relate to the impairment of assets, rates for amortization, collectability of accounts receivable, and valuation of inventory. Actual results could differ from these estimates.

TSAY KEH DENE NATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2016

2. CASH

Tsay Keh Dene Nation has a demand revolving credit facility agreement with the Royal Bank of Canada for \$200,000 bearing interest at prime plus 0.75% per annum. This facility revolves in increments of \$10,000 and is secured by a general security agreement and a first ranking security interest in all accounts receivable. At March 31, 2016 the full \$200,000 was available.

3. ACCOUNTS RECEIVABLE

	2016	2015
Government:		
Indigenous and Northern Affairs Canada	\$ 358,632	\$ 30,000
Canada Revenue Agency - GST/HST	304,828	221,615
Other federal government	28,326	-
First Nations Health Authority	5,004	-
Province of British Columbia	<u>134,544</u>	-
	831,334	251,615
Trade		
Tsay Keh Dene Nation members	429,901	374,313
Other	<u>1,040,256</u>	1,194,189
	<u>14,918</u>	42,861
	2,316,409	1,862,978
Less: allowance for doubtful accounts	<u>(217,336)</u>	(213,579)
	<u><u>\$ 2,099,073</u></u>	<u><u>\$ 1,649,399</u></u>

4. INVENTORY

	2016	2015
Ingenika Trading Post		
Groceries and household items	\$ 94,582	\$ 80,358
Automotive and hardware	22,280	15,259
Gasoline, diesel and propane	45,645	58,048
Tobacco products	<u>9,952</u>	24,559
	<u><u>\$ 172,459</u></u>	<u><u>\$ 178,224</u></u>

TSAY KEH DENE NATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2016

5. RESTRICTED CASH

	2016	2015
Restricted cash consists of the following:		
GIC	\$ 50,000	\$ 50,000
Replacement Reserve	161,915	151,047
Treaty Negotiations	34,138	26,388
Integris Credit Union	<u>584,739</u>	-
	<u>\$ 830,792</u>	\$ 227,435

6. ENDOWMENT AND TRUST FUNDS

	2016	2015
<u>BC Hydro Trust Funds</u>		
Consists of funds held on behalf of Tsay Keh Dene Nation in an Endowment Fund created under the Trustee Fund Public Deed of Trust between the Victoria Foundation and the Tsay Keh Dene Nation dated August 31, 2009 and the Payment Trustee Agreement between the Victoria Foundation, the Tsay Keh Dene Nation, and the British Columbia Hydro and Power Authority dated August 31, 2009	\$ 2,054,033	\$ 2,891,934
<u>BC Hydro Final Settlement Funds</u>		
Consists of funds held on behalf of Tsay Keh Dene Nation in an Endowment Fund created under the Endowment Fund Public Deed of Trust between the Victoria Foundation and the Tsay Keh Dene Nation dated August 31, 2009 and the Payment Trustee Agreement between the Victoria Foundation, the Tsay Keh Dene Nation, and the British Columbia Hydro and Power Authority dated August 31, 2009	<u>17,826,661</u>	17,967,714
	<u>\$ 19,880,694</u>	\$ 20,859,648

TSAY KEH DENE NATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2016

7. INVESTMENTS IN GOVERNMENT BUSINESS ENTITIES (Appendix A)

	2016	2015
0882074 B.C. Ltd.		
- shares	\$ 1	\$ 1
- advances from	(125,388)	(61,016)
- contributed surplus	<u>497,692</u>	<u>497,692</u>
	<u>372,305</u>	<u>436,677</u>
1035969 B.C. Ltd.		
- share	1	-
- advances to	<u>125,199</u>	<u>-</u>
	<u>125,200</u>	<u>-</u>
Chu-Cho Enterprises Ltd.		
- shares	1	1
- contributed surplus	974,899	974,899
- advances to	<u>552,817</u>	<u>552,817</u>
- deficit	<u>(441,064)</u>	<u>(441,064)</u>
	<u>1,086,653</u>	<u>1,086,653</u>
Ingenika Logging Ltd.		
- shares	100	100
- advances to	<u>558,310</u>	<u>558,310</u>
- deficit	<u>(933,410)</u>	<u>(933,410)</u>
	<u>(375,000)</u>	<u>(375,000)</u>
Tsay Keh Enterprises Ltd.		
- share	1	1
- advances to	<u>655,717</u>	<u>776,740</u>
- deficit	<u>(66,657)</u>	<u>(93,043)</u>
	<u>589,061</u>	<u>683,698</u>
Tsay Keh Holdings Ltd. (dbा Tsay Keh Dene Outfitters)		
- shares	100	100
- advances to	<u>974,113</u>	<u>962,778</u>
- deficit	<u>(281,910)</u>	<u>(257,902)</u>
	<u>692,303</u>	<u>704,976</u>
Balance forward	<u>\$ 2,490,522</u>	<u>\$ 2,537,004</u>

TSAY KEH DENE NATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2016

7. INVESTMENTS IN GOVERNMENT BUSINESS ENTITIES (Appendix A), continued

	2016	2015
Balance forward	<u>\$ 2,490,522</u>	<u>\$ 2,537,004</u>
Tsay Keh Economic Development Corporation		
- shares	100	100
- advances to	6,774	6,774
- equity	<u>152</u>	<u>167</u>
	<u>7,026</u>	<u>7,041</u>
Chu Cho Industries Limited Partnership		
- partnership units, at cost	9,999	9,999
- advances to	<u>77,084</u>	<u>172,957</u>
- partner's equity	<u>1,141,183</u>	<u>1,876,295</u>
	<u>1,228,266</u>	<u>2,059,251</u>
Tsay Keh Developments Limited Partnership		
- partnership units, at cost	9,999	9,999
- advances from	<u>(9,999)</u>	<u>(9,999)</u>
	-	-
Three Feathers GP Ltd.		
- shares	100	100
- advances from	<u>(100)</u>	<u>(100)</u>
- equity	<u>25</u>	<u>17</u>
	<u>25</u>	<u>17</u>
Three Feathers Limited Partnership		
- partnership units, at cost	33	33
- partnership equity	<u>108,610</u>	<u>110,559</u>
	<u>108,643</u>	<u>110,592</u>
Tse Keh Nay (A Partnership)		
- partners' capital	<u>29,696</u>	-
	<u>\$ 3,864,178</u>	<u>\$ 4,713,905</u>

Shares and partnership units are held on behalf of the Nation's membership by specified nation members under a trust agreement.

Condensed financial information for the government business entities is presented in Appendix A to the financial statements.

TSAY KEH DENE NATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2016

8. INVESTMENTS

	2016	2015
Resolute Forest Products Inc.		
Shares, at realizable value	\$ 22,145	\$ 73,084
Traplines, at cost	<u>146,825</u>	146,825
	<u><u>\$ 168,970</u></u>	<u><u>\$ 219,909</u></u>

9. OTTAWA TRUST ASSETS

	Revenue	Capital	Total 2016	Total 2015
<u>Ottawa Trust</u>				
Balance, beginning of year	\$ 34,955	\$ -	\$ 34,955	\$ 33,048
Interest	<u>742</u>	<u>-</u>	<u>742</u>	822
BC Special	<u>1,113</u>	<u>-</u>	<u>1,113</u>	1,085
Balance, end of year	<u><u>\$ 36,810</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 36,810</u></u>	<u><u>\$ 34,955</u></u>

The Ottawa Trust Accounts arise from monies from capital or revenue sources 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”.

10. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2016	2015
Trade payables and accrued liabilities	\$ 1,131,403	\$ 1,566,469
Wages and government remittances payable	<u>226,454</u>	198,769
Pension and group benefits payable	<u>18,525</u>	11,356
	<u><u>\$ 1,376,382</u></u>	<u><u>\$ 1,766,594</u></u>

TSAY KEH DENE NATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2016

10. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES, continued

The Nation has a defined contribution pension plan for eligible members of its staff. Members are required to contribute a minimum of 5% of their salary, the Nation contributes 5% of their basic salary, and contributions are directed to the member's contribution account. The amount of retirement benefit to be received by the employees will be the amount of retirement annuity that could be purchased based on the member's share of the pension plan at the time of the member's withdrawal from the plan. During the year the Nation contributed \$ 89,547 (2015 - \$77,205) for retirement benefits.

11. DEFERRED REVENUE

	2016	2015
INAC Capital Surplus	\$ 1,322	\$ 1,322
Electrical Upgrade Powerlines - CPMS #10330	-	5,439
ACRS Group 2 - ICMS 9-10011356	-	18,343
Transfer Station - CPMS #11533	-	45,345
	1,322	70,449
BC Hydro	<u>351,656</u>	<u>348,506</u>
	<u><u>\$ 352,978</u></u>	<u><u>\$ 418,955</u></u>

The Nation has recorded the above surpluses as deferred revenue to be used for delivery and completion of future programs and projects.

12. LONG-TERM DEBT

	2016	2015
Mortgage, repayable in monthly instalments of \$1,107 including interest at prime plus 1.05% per annum (March 31, 2016 - 3.75%), secured by specific properties. The mortgage is registered in the name of Tsay Keh Enterprises Ltd. and is guaranteed by the Nation, due to renew May 2016	\$ 102,769	\$ 111,967
Mortgage, repayable in monthly instalments of \$976 including interest at 3.11% per annum, secured by specific properties. The mortgage is registered in the name of Tsay Keh Enterprises Ltd. and is guaranteed by the Nation, due to renew May 2016	<u>106,346</u>	<u>114,460</u>
Balance forward	<u><u>\$ 209,115</u></u>	<u><u>\$ 226,427</u></u>

TSAY KEH DENE NATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2016

12. LONG-TERM DEBT, continued

	2016	2015
Balance forward	\$ 209,115	\$ 226,427
Mortgage, repayable in monthly instalments of \$1,411 including interest at 2.83% per annum, secured by a Government of Canada ministerial guarantee, due to renew February 2020	194,121	205,382
Mortgage repayable in monthly instalments of \$3,944 including interest at 3.77% per annum, secured by a Government of Canada ministerial guarantee, due to renew April 2016	396,542	428,263
Conditional sales contract payable in monthly instalments of \$1,118 including interest at 6.69%, secured by equipment with a net book value of \$25,773	24,192	35,645
Conditional sales contract payable in monthly instalments of \$1,136 including interest at 6.69%, secured by equipment with a net book value of \$26,145	24,572	36,205
Loan repayable in monthly instalments of \$2,023 including interest at 3.4% per annum, secured by equipment with a net book value of \$117,220	92,394	-
Loan	-	3,659
	<u>\$ 940,936</u>	<u>\$ 935,581</u>

Principal repayments due in each of the next five years are scheduled as follows:

2017	\$ 108,831
2018	111,164
2019	90,180
2020	93,369
2021	<u>74,056</u>
	<u>\$ 477,600</u>

**TSAY KEH DENE NATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2016**

13. TREATY LOAN

Treaty loan is an Indigenous and Northern Affairs Canada promissory note representing advances for negotiations with the British Columbia Treaty Commission. Repayment provisions for these loans are outlined in Sections 13.0 and 14.0 of the Negotiation Support Agreement. The loan is non-interest bearing and will be repayable over a 10 year period after the signing of the Final Agreement between Tsay Keh Dene Nation, the Government of Canada and the Government of British Columbia.

14. REPLACEMENT RESERVE

Under the terms of an agreement with Indigenous and Northern Affairs Canada, the replacement reserve account is to be credited in the amount of \$10,868 annually. These funds, along with the accumulating interest, are to be held in a separate bank account and may only be used for repairs and maintenance for houses built in 2001 and 2004. The replacement reserve was fully funded at year end.

15. TANGIBLE CAPITAL ASSETS (Appendix B)

				2016	2015
	Cost	Accumulated Amortization	Net Book Value		Net Book Value
Automotive equipment	\$ 601,815	\$ 475,928	\$ 125,887	\$ 135,893	
Buildings	6,524,202	2,233,967	4,290,235		4,469,743
Computer equipment	267,878	62,630	205,248		13,175
Equipment	793,884	555,066	238,818		119,596
Furniture and office equipment	95,099	42,523	52,576		43,020
Heavy duty equipment	484,890	410,321	74,569		64,028
Housing	16,350,641	6,254,475	10,096,166		9,924,820
Infrastructure	12,419,433	4,667,360	7,752,073		7,904,760
Ingenika Trading Post	<u>768,546</u>	<u>353,944</u>	<u>414,602</u>		<u>420,680</u>
Land	38,306,388	15,056,214	23,250,174		23,095,715
	<u>500,000</u>	<u>-</u>	<u>500,000</u>		<u>500,000</u>
	\$ 38,806,388	\$ 15,056,214	\$ 23,750,174		\$ 23,595,715

TSAY KEH DENE NATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2016

16. CONTINGENT LIABILITIES

Tsay Keh Dene Nation has entered into contribution agreements with various government agencies. Funding received under these contribution agreements is subject to repayment if the Nation fails to comply with the terms and conditions of the agreements.

The Nation may have future silviculture commitments on government business entities owned forest licences if future costs exceed current estimates. The amount of the liability, if any, is not determinable at this time.

The Nation has guaranteed loans issued by financial institutions to the government business entities held as investments by the Nation. At March 31, 2016 none of these loans were in default and thus, the amount of the liability, if any, is not determinable at this time.

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

17. RECONCILIATION OF INAC FUNDING AGREEMENT REVENUE

Pursuant to the Indigenous and Northern Affairs Canada Financial Reporting Requirements for the fiscal period 2015 - 2016 the following reconciliation has been prepared:

Recipient total as per 2015/2016 INAC funding confirmation	\$ 3,308,068
Variance	_____
INAC revenue as per consolidated statement of operations	<u>\$ 3,308,068</u>

TSAY KEH DENE NATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2016

18. GOVERNMENT TRANSFERS

	2016			2015		
	<u>Operating</u>	<u>Capital</u>	<u>Total</u>	Operating	Capital	Total
Federal government transfers:						
Indigenous and Northern Affairs						
Canada	\$ 2,781,332	\$ 526,736	\$ 3,308,068	\$ 2,843,342	\$ 436,413	\$ 3,279,755
First Nations						
Health Authority	848,869	-	848,869	715,407	-	715,407
Other	28,326	-	28,326	1,000	-	1,000
	3,648,527	526,736	4,185,263	3,559,749	436,413	3,996,162
Provincial government transfers	586,365	-	586,365	301,944	-	301,944
	<u>\$ 4,244,892</u>	<u>\$ 526,736</u>	<u>\$ 4,771,628</u>	<u>\$ 3,861,693</u>	<u>\$ 436,413</u>	<u>\$ 4,298,106</u>

19. RELATED PARTY TRANSACTIONS

In the normal course of operations, the Nation participated in transactions with related parties measured at the exchange amount as determined and agreed to by the related parties.

The Nation paid rent to 0882074 B.C. Ltd. in the amount of \$42,481 (2015 - \$14,333).

The Nation sold goods and services in the amount of \$265,333 (2015 - \$324,381) to Chu Cho Industries Limited Partnership, and it's divisions Chu-Cho Environmental Consulting and Chu Cho Forestry, and paid for services rendered in the amount of \$161,824 (2015 - \$357,086).

20. ECONOMIC DEPENDENCE

The Nation receives a major portion of its revenue pursuant to funding arrangements with Indigenous and Northern Affairs Canada. Any disruption in this funding would have a negative effect on the Nation's operations.

TSAY KEH DENE NATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2016

21. RISK MANAGEMENT

The Nation has a comprehensive risk management framework to monitor, evaluate and manage the principal risks assumed with financial instruments. The risks that arise from transacting financial instruments include the following:

Credit Risk

Credit risk refers to the risk that a counterparty may default on its contractual obligations resulting in a financial loss. The Nation has a history of dealing with its funding agencies and customer base and does not believe it is exposed to an unusual level of credit risk with respect to its accounts receivable.

The Nation maintains its cash and deposits with a federally regulated Canadian financial institution and a Credit Union, and thus has not experienced any change in risk exposure.

Interest Rate Risk

Interest rate risk refers to the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The Nation's long-term debt is at fixed rates of interest therefore, a change in market interest rates has no impact to cash flows required to service this debt. The Nation maintains an operating line of credit subject to floating rates of interest, a change in the variable rate can impact cash flow to service the debt when such debt is outstanding. There has been no change to the risk exposure from 2015 and there is expected to be no substantive change in the next fiscal period.

22. SEGMENT DISCLOSURE

Tsay Keh Dene Nation provides a range of services to its members. For management reporting purposes, operations and activities are organized and reported by function and department. For each segment separately reported, the segment revenue and expenditure represent both amounts that are directly attributable to the segment and amounts that are allocated on a reasonable basis. The presentation by segment is based on the same accounting policies as described in the summary of Significant Accounting Policies in Note 1. The segments and services provided are as follows:

Economic Development - manages the development of economic opportunities from the land and natural resources for the Nation and its entities;

Education and Training - provides elementary and secondary education instructional services, financial support to post secondary students and training and work opportunities for Nation members to improve their job skills and participate effectively in the labour market.

TSAY KEH DENE NATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2016

22. SEGMENT DISCLOSURE, continued

Government Development and Administration - provides governance initiatives and training through the activities of Chief and Council and administration of other activities relating to program delivery, membership and finance;

Health Services - provides a variety of health care programs, services and support to Nation members;

Housing - provides housing and services to Nation members;

Public Works Operations and Maintenance - manages community and facilities operations and maintenance including capital projects, municipal services, water and waste water operations, roads, fire protection, and maintenance of community buildings;

Social and Community Services - provides programs and services for the social benefit and welfare of Nation members;

Treaty Claims and Negotiations - manages the land claim and negotiation process with Canada and the Province of British Columbia;

Trust Funds - provides programs and services for the social, economic and capital needs of Nation members;

Other - Ingenika Trading Post and the government business entities provide economic development opportunities for the benefit of Nation members;

Tangible Capital Assets - provides for capital infrastructure development for Nation members.

23. BUDGETED FIGURES

Budgeted figures have been provided for comparison purposes and have been approved by the Chief and Council.

24. COMPARATIVE FIGURES

Certain of the prior comparative figures have been restated to conform to the current year's presentation.

TSAY KEH DENE NATION
SEGMENT DISCLOSURE
YEAR ENDED MARCH 31, 2016

SEGMENT DISCLOSURE	GOVERNMENT DEVELOPMENT										HEALTH SERVICES				HOUSING				
	ECONOMIC DEVELOPMENT					EDUCATION AND TRAINING			GOVERNMENT ADMINISTRATION		Budget		2015	Budget		2016	Budget		
	Budget	2016	2015	Budget	2016	2015	Budget	2016	2015	Budget	2015	Budget	2016	Budget	2015	Budget	2016	2015	
REVENUE																			
Indigenous and Northern Affairs Canada (INAC)	\$	\$	\$	84,568	\$	30,600	\$	1,214,624	\$	1,273,811	\$	1,248,284	\$	241,388	\$	409,840	\$	448,981	
First Nations Health Authority (FNHA)	-	-	-	15,000	-	-	-	323,790	-	-	-	-	-	-	-	5,457	-	787,137	
Province of British Columbia	-	-	-	197,968	232,422	120,000	147,466	67,486	68,139	703,895	757,740	250,000	111,308	3,772	111,768	40,568	183,631	86,551	
BC Hydro	-	-	-	1,197,600	431,932	975,928	150,250	280,699	238,037	74,174	311,499	762,020	112,090	15,996	60,980	374,974	113,318	214,644	
Interest, rent and miscellaneous	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Ornawa trust funds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Income from government business entities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
TOTAL REVENUE	1,394,968	763,383	1,125,928	1,52,360	1,945,786	1,554,460	1,019,457	1,484,476	1,461,601	1,010,445	1,014,684	1,038,601	461,425	326,902	461,425	326,902	94,025	94,025	
EXPENDITURE																			
Administration	-	-	-	4,605	97,500	105,807	124,812	137,341	-	-	-	-	-	15,691	1,969	75,296	10,080	-	
Amortization and interest	2,000	-	-	5,586	-	-	-	-	-	-	-	-	-	-	-	4,732	-	28,968	
Contract	171,000	149,971	149,968	-	-	-	156,628	5,530	6,500	43,245	44,931	81,033	109,332	286,119	10,280	51,166	-	29,241	
Honouraria	9,000	2,995	4,450	18,899	-	7,058	35,650	-	-	36,449	2,500	-	221	21,125	-	-	-	-	
Professional fees	-	-	-	1,380	4,293	-	-	-	-	326,000	191,259	215,247	-	-	-	-	-	-	
Rent	8,500	8,685	2,278	-	-	6,275	1,380	13,900	53,056	14,953	-	-	-	-	-	2,866	14,200	-	
Repairs and maintenance	7,500	14,743	21,407	105,045	98,133	20,471	1,000	2,402	58,781	-	-	-	7,976	1,174	101,800	28,983	45,126	-	
Supplies	107,300	68,730	33,471	-	83,976	47,225	165,636	60,600	48,671	33,574	37,800	38,495	60,921	19,500	96,333	4,348	-	-	
Telephone and utilities	-	-	180	3,032	61,924	61,324	70,945	50,820	70,242	42,411	11,649	16,362	21,135	6,200	10,788	7,697	-	-	
Travel and accommodations	38,000	31,713	63,020	83,094	58,777	52,013	166,088	356,682	218,168	299,045	365,533	412,533	518,919	541,684	5,069	-	-	-	
Wages and benefits	389,768	472,866	335,944	983,994	769,956	708,473	859,726	1,041,053	490,193	766,343	459,758	766,343	459,758	766,343	274,630	-	-	-	
Workshops and training	6,500	2,470	41,795	96,658	130,638	150,659	25,000	-	12,855	9,200	6,719	4,945	-	-	-	-	-	-	
Other	-	4,791	8,923	253,496	136,011	260,530	68,200	111,255	209,375	48,622	33,909	21,533	15,000	45,229	-	2,225	-	-	
Loss from government business entities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
TOTAL EXPENDITURE	759,568	783,602	771,627	1,329,893	1,590,824	1,608,918	1,571,834	1,917,855	1,653,087	995,203	1,039,694	1,411,206	539,064	541,803	541,803	541,803	541,803	541,803	
EXCESS REVENUE OVER EXPENDITURE (EXPENDITURE OVER REVENUE)	655,400	(20,219)	354,301	(271,533)	348,902	(54,338)	(552,377)	(433,379)	(192,086)	14,942	(16,610)	(372,695)	(67,639)	(214,841)	(40,012)	-	-	-	
DECREASE IN DEFERRED REVENUE	-	-	-	-	-	-	-	-	-	-	-	-	-	90,1945	-	-	-	-	
TRANSFER TO TANGIBLE CAPITAL ASSETS	(28,000)	(53,596)	(15,872)	-	(31,421)	(5,574)	-	-	(8,895)	-	(1,846)	(5,745)	(5,000)	(76,311)	(47,762)	-	-	-	
 	\$ 627,400	\$ (73,805)	\$ 338,429	\$ (27,533)	\$ 317,541	\$ (59,932)	\$ (552,377)	\$ (433,379)	\$ (202,981)	\$ 14,942	\$ (18,456)	\$ 472,505	\$ (72,639)	\$ (291,152)	\$ (51,774)	\$ 541,803	\$ 541,803	\$ 541,803	\$ 541,803

TSAY KEH DENE NATION
SEGMENT DISCLOSURE
YEAR ENDED MARCH 31, 2016

REVENUE	PUBLIC WORKS		OPERATIONS AND MAINTENANCE		COMMUNITY SERVICES		SOCIAL AND		TREATY CLAIMS		AND NEGOTIATIONS	
	Budget		2016		Budget		2016		Budget		2015	
	Budget	2016	Budget	2015	Budget	2016	Budget	2015	Budget	2016	Budget	2015
Indigenous and Northern Affairs Canada (INAC)	\$ 965,915	\$ 979,434	\$ 952,268	\$ 6,056	\$ 127,794	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
First Nations Health Authority (FNHA)	-	-	-	173,836	169,176	74,682	69,140	92,200	-	-	-	-
Province of British Columbia	-	-	-	1,164,735	1,301,678	293,719	-	-	(\$54,536)	1,258,614	-	-
BC Hydro (withdrawals in excess of deposits)	13,000	110,499	159,590	81,312	51,946	-	-	-	31,657	393,165	-	2,055,211
Interest, rent and miscellaneous	-	-	-	-	-	-	-	-	1,855	1,907	-	-
Ottawa trust funds	-	-	-	-	-	-	-	-	-	-	-	-
Income from government business entities	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL REVENUE	918,915	1,091,683	1,062,767	1,504,127	1,552,166	639,635	74,682	69,140	92,200	-	(\$21,024)	1,653,686
EXPENDITURE												
Administration	-	-	106,277	2,844	5,175	29,976	9,000	12,000	41,262	-	-	-
Amortization and interest	-	-	-	-	-	-	-	-	-	-	-	-
Contract	705,000	775,864	698,251	553,860	309,178	85,427	48,000	55,700	-	-	-	-
Honoria	-	-	-	10,000	13,035	5,405	55,000	45,855	102,750	-	-	-
Professional fees	-	-	2,345	2,976	20,000	21,176	20,500	14,430	9,805	44,831	-	-
Rent	-	-	28	5,300	2,656	7,782	11,696	19,200	16,756	15,238	-	-
Repairs and maintenance	15,000	12,344	110,158	5,000	5,157	12,678	400	379	-	-	-	-
Supplies	11,500	29,513	64,988	95,195	67,616	22,063	3,200	5,262	4,625	-	-	-
Telephone and utilities	52,000	115,031	233,623	323,534	327,428	24,703	14,460	11,837	19,015	-	-	-
Travel and accommodations	30,900	40,190	42,412	75,320	59,126	64,602	27,000	34,898	27,970	-	-	-
Wages and benefits	114,182	98,933	274,548	428,007	285,254	357,743	148,612	147,527	146,959	-	-	-
Workshops and training	2,000	1,339	1,600	581	1,239	2,000	-	-	-	-	-	-
Other	8,000	58,206	10,425	74,000	124,443	112,306	10,000	13,264	58,132	-	141,185	128,854
Loss from government business entities	-	-	-	-	-	-	-	-	-	-	-	-
	918,982	1,133,444	1,550,297	1,397,946	1,725,951	748,238	351,242	348,954	461,111	-	141,185	128,854
EXCESS REVENUE OVER EXPENDITURE (EXPENDITURE OVER REVENUE)	40,433	(40,731)	(487,530)	107,681	326,245	(108,603)	(276,560)	(279,814)	(368,911)	-	(662,209)	1,524,832
DECREASE (INCREASE) IN DEFERRED REVENUE											(211,563)	(48,458)
TRANSFER TO TANGIBLE CAPITAL ASSETS											(200,000)	(271,760)
	\$ 40,433	\$ 63,843	\$ (430,024)	\$ 95,031	\$ 301,320	\$ (12,548)	\$ (276,560)	\$ (279,814)	\$ (368,911)	\$ (935,686)	\$ 324,832	\$ (48,458)
												\$ 1,427,670

TSAY KEH DENE NATION
SEGMENT DISCLOSURE
YEAR ENDED MARCH 31, 2016

	TANGIBLE CAPITAL ASSETS			TOTAL BEFORE ADJUSTMENTS			CONSOLIDATION ADJUSTMENTS			CONSOLIDATED TOTALS		
	Budget	2016	2015	Budget	2016	2015	Budget	2016	2015	Budget	2016	2015
REVENUE												
Indigenous and Northern Affairs Canada (INAC)	\$ 124,000	\$ 526,736	\$ 436,413	\$ 2,551,983	\$ 3,308,068	\$ 3,279,755	\$ -	\$ -	\$ -	\$ 2,551,983	\$ 3,308,068	\$ 3,279,755
First Nations Health Authority (FNHA)	-	-	-	787,137	848,869	715,407	-	-	-	787,137	848,869	715,407
Province of British Columbia	-	-	-	248,518	586,365	301,944	-	-	-	248,518	586,365	301,944
BC Hydro	-	-	-	2,411,843	2,203,584	2,173,103	-	-	-	2,411,843	2,203,584	2,173,103
Interest, rent and miscellaneous	201,000	-	-	2,321,898	3,359,862	4,675,995	-	-	-	2,321,898	3,359,862	4,675,995
Ottawa First funds	-	-	-	-	1,885	1,907	-	-	-	-	1,885	1,907
Income from government business entities	-	-	-	-	180,629	1,538,571	-	-	-	-	180,629	1,538,571
TOTAL REVENUE	325,000	526,736	436,413	8,321,379	10,489,232	12,686,682	-	-	-	8,321,379	10,489,232	12,686,682
EXPENDITURE												
Administration	-	796	10,000	142,822	186,595	507,052	-	-	(796)	(10,000)	142,822	185,799
Amortization and interest	-	-	-	2,000	55,374	62,576	-	-	1,162,097	1,114,378	2,000	1,217,471
Contract	325,000	564,498	552,103	1,700,963	2,244,085	1,826,394	-	-	(564,498)	(532,103)	1,700,963	1,679,587
Honoraria	-	-	-	95,399	69,161	186,829	-	-	-	95,399	69,161	186,829
Professional fees	-	-	2,805	354,430	235,475	298,062	-	-	(2,805)	(2,805)	354,430	235,475
Rent	-	-	-	58,466	189,752	53,651	-	-	-	58,466	109,752	53,651
Repairs and maintenance	-	-	-	235,745	168,996	278,671	-	-	-	235,745	168,996	278,671
Supplies	126,889	-	-	423,471	548,617	398,921	-	-	(126,889)	(423,471)	421,728	398,921
Telephone and utilities	-	-	-	553,547	629,834	445,767	-	-	-	553,547	629,834	445,767
Travel and accommodations	-	2,076	-	718,347	960,600	899,263	-	-	(2,076)	(2,076)	718,347	958,524
Wages and benefits	-	148,258	-	3,723,166	3,920,850	3,359,841	-	-	(148,258)	(148,258)	3,782,592	3,359,841
Workshops and training	-	-	-	142,958	140,408	213,516	-	-	-	142,958	140,408	213,516
Other	-	-	-	477,318	2,389,215	2,538,560	-	-	-	477,318	2,389,215	2,538,560
Less from government business entities	-	-	-	-	177,135	27,426	-	-	-	-	177,135	27,426
	325,000	842,517	564,908	8,671,632	11,846,097	11,096,569	-	-	319,580	549,470	8,677,632	12,165,677
EXCESS REVENUE OVER EXPENDITURE (EXPENDITURE OVER REVENUE)	-	(315,781)	(128,495)	(356,253)	(1,356,865)	1,590,113	-	-	(319,580)	(549,470)	(356,253)	(1,676,445)
DECREASE IN DEFERRED REVENUE	-	69,127	489,738	200,000	69,127	1,333,681	-	-	-	-	200,000	69,127
TRANSFER TO TANGIBLE CAPITAL ASSETS	245,000	479,947	1,123,285	\$ 1,484,528	\$ (156,253)	\$ (1,287,738)	\$ 2,923,794	\$ -	\$ (319,580)	\$ (549,470)	\$ (156,253)	\$ (1,607,318)
	\$ 245,000	\$ 233,293	\$ 1,484,528	\$ (156,253)	\$ (1,287,738)	\$ 2,923,794	\$ -	\$ (319,580)	\$ (549,470)	\$ (156,253)	\$ (1,607,318)	\$ 2,374,324

TSAY KEH DENE NATION
GOVERNMENT BUSINESS ENTITIES
CONDENSED FINANCIAL INFORMATION
YEAR ENDED MARCH 31, 2016

APPENDIX A

	Chu Cho Industries Limited Partnership	Chu-Cho Enterprises Ltd.	Ingenika Lodging Ltd.	Three Fathers GP Ltd.	Three Fathers Limited Partnership	Tsay Keh Developments Limited Partnership	Tsay Keh Holdings Ltd.	Tsay Keh Holdings Ltd. (A Partnership)	Tsay Keh Enterprises Ltd.	Tsay Keh Holdings Ltd.	Tsay Keh Holdings Ltd. (A Partnership)	Total 2016	Total 2015	
Assets														
Financial Assets	0882074 B.C. Ltd.	1035969 B.C. Ltd.												
\$ 1,233,814	\$ 2,761	\$ 2,111,980	\$ 2,111,980	\$ 200	\$ 298,718	\$ 10,839	\$ 157	\$ 154,643	\$ 1,108	\$ 101,217	\$ 2,681,623	\$ 2,786,672		
Tangible Capital Assets	24,902	-	5,370,819	-	5,370,819	-	-	567,425	35,984	-	7,626,042	3,446,993		
Other Assets	1,283,477	\$ 125,200	\$ 1,086,653	\$ 47,670	\$ 739,469	\$ -	\$ 83	22,669	1,249	66,131	-	2,603,924	780,032	
Total Assets	\$ 1,283,477	\$ 125,200	\$ 1,086,653	\$ 47,670	\$ 739,469	\$ -	\$ 283	\$ 22,892	\$ 723,348	\$ 695,093	\$ 161,217	\$ 12,311,589	\$ 7,017,717	
Liabilities														
Debt	\$ 109,172	\$ -	\$ -	\$ 1,879,169	\$ 375,000	\$ 8	\$ 4,878	\$ -	\$ 34,873	\$ 4,100	\$ -	10,275	\$ 2,417,475	
Contributed Surplus	800,000	-	974,899	4,879,198	-	-	-	-	-	-	-	5,587,198	994,819	
Equity (Deficit)	497,692	-	1,151,534	(933,310)	375	326,053	10,000	252	(66,657)	(281,810)	-	1,472,591	1,034,605	
Total Liabilities and Equity	\$ 1,406,865	\$ 1	\$ 533,836	\$ 7,817,701	\$ 558,310	\$ 383	\$ 30,911	\$ 10,000	\$ 252	\$ (31,784)	\$ (277,710)	\$ 101,217	\$ 9,333,362	\$ 4,655,732
Related Party Loans	\$ (125,385)	\$ 125,159	\$ 552,817	\$ 112,768	\$ 558,310	\$ (100)	\$ -	\$ 2,892	\$ 22,574	\$ 755,132	\$ 974,113	\$ -	\$ 2,978,227	\$ 2,561,985
Intercompany Loans	\$ (125,385)	\$ 125,159	\$ 552,817	\$ (28,601)	\$ 558,310	\$ (100)	\$ -	\$ 12,801	\$ 15,800	\$ 755,132	\$ 974,113	\$ -	\$ 2,978,227	\$ 2,561,984
Tsay Keh Dene Nation Advances	\$ (125,385)	\$ 125,159	\$ 552,817	\$ 112,768	\$ 558,310	\$ (100)	\$ -	\$ 2,892	\$ 22,574	\$ 755,132	\$ 974,113	\$ -	\$ 2,978,227	\$ 2,561,985
Revenue	\$ 42,481	\$ -	\$ -	\$ 11,207,235	\$ -	\$ 26	\$ 417,614	\$ -	\$ 75,880	\$ -	\$ 315,554	\$ 12,698,790	\$ 7,754,020	
Expenses	15,866	-	-	10,587,054	-	-	182,435	-	15	15,166	20,714	117,004	10,939,253	5,501,460
Amortization	13,599	-	-	64,453	-	-	-	-	30,213	3,294	-	-	692,100	458,582
Interest	12,856	-	-	128,774	-	-	-	-	-	-	-	-	141,330	43,097
Corporate Income Taxes	42,481	-	-	11,360,362	-	3	183,435	-	15	4,116	-	-	11,776,892	(3,024)
Total Expenses	\$ -	\$ -	\$ -	\$ (153,127)	\$ -	\$ 23	\$ 264,179	\$ -	\$ (15)	\$ 26,386	\$ (24,038)	\$ 198,550	\$ 311,958	\$ 1,753,905
Net Income (Loss)	\$ -	\$ -	\$ -	\$ (153,127)	\$ -	\$ 8,8051	\$ -	\$ (15)	\$ 26,386	\$ (24,038)	\$ 66,184	\$ 3,494	\$ 1,511,145	
Tsay Keh Dene Nation Share														

TSAY KEH DENE NATION
TANGIBLE CAPITAL ASSETS
YEAR ENDED MARCH 31, 2016

APPENDIX B

										Igennika Trading Post		Land		Total				
		Automotive Equipment		Buildings		Computer Equipment		Equipment		Furniture and Office Equipment		Heavy Duty Equipment		Housing		Infrastructure		
Cost		\$ 565,625	\$ 6,524,202	\$ 37,260	\$ 230,618	\$ 640,072	\$ 163,812	\$ 74,921	\$ 20,178	\$ 49,890	\$ 35,000	\$ 15,671,571	\$ 675,070	\$ 12,255,984	\$ 163,449	\$ 752,187	\$ 500,000	\$ 37,471,712
As at April 1, 2015		36,190	-	-	(10,000)	-	-	-	-	-	-	-	-	-	-	-	-	1,344,676
Additions		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(10,000)
Disposals		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net book value, March 31, 2016		601,815	6,524,202	267,878	793,884	95,099	484,890	16,350,641	12,419,433	768,546	500,000	38,806,388						
Accumulated amortization																		
As at April 1, 2015		\$ 429,732	\$ 2,084,459	\$ 24,085	\$ 38,545	\$ 520,476	\$ 38,909	\$ 31,901	\$ 10,622	\$ 385,862	\$ 24,459	\$ 5746,751	\$ 597,714	\$ 4,351,224	\$ 316,136	\$ 331,597	\$ 22,437	\$ 13,875,597
Provision		46,195	179,508	-	(43,19)	-	-	-	-	-	-	-	-	-	-	-	-	1,184,536
Disposals		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(4,319)
Net book value, March 31, 2016		575,928	2,233,967	62,630	555,066	42,523	410,321	6,254,475	414,321	4,667,360	353,944	-	-	-	-	-	-	15,056,214
Cost		\$ 125,887	\$ 4,290,235	\$ 205,248	\$ 235,818	\$ 52,576	\$ 74,559	\$ 10,996,165	\$ 7,752,073	\$ 414,602	\$ 500,000	\$ 23,750,174						
As at April 1, 2014		\$ 581,285	\$ 6,453,367	\$ 31,686	\$ 608,498	\$ 31,574	\$ 74,921	\$ 449,890	\$ 14,352,495	\$ 1,319,076	\$ 12,694,131	\$ 161,833	\$ 752,187	\$ 500,000	\$ 35,868,460			
Additions		42,963	70,835	5,574	-	-	-	-	-	-	-	-	-	-	-	-	-	1,631,875
Disposals		-	(28,623)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(28,623)
Net book value, March 31, 2015		565,625	6,524,202	37,260	640,072	74,921	449,890	15,671,571	12,255,984	752,187	500,000	37,471,712						
Accumulated amortization																		
As at April 1, 2014		392,291	1,869,302	19,632	495,317	21,146	358,422	5,299,105	4,026,490	308,493	2,517	12,750,195						
Provision		49,033	185,157	4,453	25,159	10,755	27,440	487,646	224,734	25,017	-	1,137,394						
Disposals		-	(11,592)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(11,592)
Net book value, March 31, 2015		429,732	2,054,459	24,085	520,476	31,901	385,862	5,746,751	4,351,224	331,597	-	13,875,597						
Cost		\$ 135,893	\$ 4,459,743	\$ 13,175	\$ 119,596	\$ 43,020	\$ 64,028	\$ 9,924,820	\$ 7,504,160	\$ 420,680	\$ 500,000	\$ 23,595,715						