

TSAY KEH DENE NATION
CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2017

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YEAR ENDED MARCH 31, 2017

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TSAY KEH DENE

Chief Dennis Izony

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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.

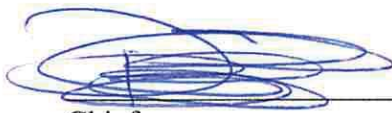
Management is responsible for the integrity and objectivity of these statements and for implementing and maintaining a system of internal control to provide reasonable assurance that reliable financial information is produced.

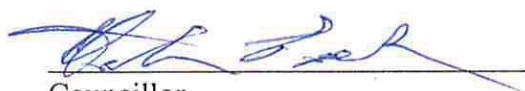
The Chief and Council are responsible for ensuring that management fulfils its responsibilities for financial reporting and internal control and are ultimately responsible for reviewing and approving the consolidated financial statements.

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, 2017 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, 2017 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.

 : Company Inc.

Chartered Professional Accountants

October 24, 2017
Prince George, British Columbia

TSAY KEH DENE NATION
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
MARCH 31, 2017

	2017	(Note 25) 2016
FINANCIAL ASSETS		
Cash (Note 2)	\$ 1,409,784	\$ 875,502
Accounts receivable (Note 3)	2,343,750	2,101,834
Inventory (Note 4)	155,771	172,459
Restricted cash (Note 5)	971,411	830,792
Endowment and trust funds (Note 6)	22,226,102	19,880,694
Investments in government business entities (Note 7)	3,580,243	3,491,873
Investments (Note 8)	170,931	168,970
Ottawa trust funds (Note 9)	38,647	36,810
	<u>30,896,639</u>	<u>27,558,934</u>
LIABILITIES		
Revolving term loan (Note 10)	800,000	800,000
Accounts payable and accrued liabilities (Note 11)	2,026,339	1,485,554
Deferred revenue (Note 12)	1,700,651	352,978
Long-term debt (Note 13)	891,028	940,936
Treaty loan (Note 14)	8,079,419	7,776,914
Replacement reserve (Note 15)	172,783	161,915
	<u>13,670,220</u>	<u>11,518,297</u>
NET FINANCIAL ASSETS	<u>17,226,419</u>	<u>16,040,637</u>
NON-FINANCIAL ASSETS		
Tangible capital assets (Note 16)	26,763,192	25,003,988
Prepaid expenditure	58,999	128,808
	<u>26,822,191</u>	<u>25,132,796</u>
ACCUMULATED SURPLUS	<u>\$ 44,048,610</u>	<u>\$ 41,173,433</u>

CONTINGENT LIABILITIES (Note 17)

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

Approved on behalf of Tsay Keh Dene Nation:

 Chief

 Councillor

 Councillor

TSAY KEH DENE NATION
CONSOLIDATED STATEMENT OF OPERATIONS
YEAR ENDED MARCH 31, 2017

	Budget	2017	(Note 25) 2016
REVENUE			
Indigenous and Northern Affairs Canada	\$ 2,324,842	\$ 6,198,678	\$ 3,308,068
First Nations Health Authority	796,809	1,093,707	848,869
Province of British Columbia	300,011	693,975	586,365
BC Hydro	2,130,409	5,060,123	2,203,584
Ingenika Trading Post	-	1,988,515	2,039,439
Interest and trust income	4,000	2,574,169	35,464
Rent and other	2,077,724	1,539,265	1,327,723
Gain on disposal of tangible capital assets	-	9,308	4,319
Unrealized gain (loss) on investment	-	1,961	(50,939)
Income from investments in government business entities	-	463,938	180,629
Ottawa trust funds	-	1,837	1,855
(Increase) decrease in deferred revenue	-	(1,347,673)	69,127
	<u>7,633,795</u>	<u>18,277,803</u>	<u>10,554,503</u>
EXPENDITURE			
Education and training	1,478,064	1,511,685	1,596,824
Government development and administration	1,462,040	1,586,008	1,803,116
Health services	1,284,748	1,614,253	1,255,381
Housing	456,949	223,385	436,481
Ingenika Trading Post	-	2,078,368	2,080,870
Lands and resources	3,466,810	3,617,315	900,611
Public works operations and maintenance	1,656,873	1,716,124	1,535,352
Social and community services	640,158	637,388	600,971
Treaty claims and negotiations	405,628	405,478	348,954
Loss from investments in government business entities	-	590,331	177,135
Trust expenditures and management fees	-	98,897	191,689
Interest	-	25,790	36,142
Amortization	-	1,241,554	1,198,295
	<u>10,851,270</u>	<u>15,346,576</u>	<u>12,161,821</u>
ANNUAL SURPLUS (DEFICIT)	<u>\$ (3,217,475)</u>	<u>2,931,227</u>	<u>(1,607,318)</u>
ACCUMULATED SURPLUS, BEGINNING OF YEAR		<u>41,173,433</u>	<u>42,804,533</u>
RECOVERY BY			
Indigenous and Northern Affairs Canada		<u>(56,050)</u>	<u>(23,782)</u>
ACCUMULATED SURPLUS, END OF YEAR		<u>\$ 44,048,610</u>	<u>\$ 41,173,433</u>

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, 2017

	Budget	2017	(Note 25) 2016
Annual surplus (deficit)	\$ (3,217,475)	\$ 2,931,227	\$ (1,607,318)
Recovery by Indigenous and Northern Affairs Canada	-	(56,050)	(23,782)
	<u>(3,217,475)</u>	<u>2,875,177</u>	<u>(1,631,100)</u>
Acquisition of tangible capital assets	528,284	(3,498,521)	(2,175,572)
Amortization	-	1,241,554	1,198,295
Proceeds on disposal of tangible capital assets	-	507,071	10,000
Gain on disposal of tangible capital assets	-	(9,308)	(4,319)
	<u>528,284</u>	<u>(1,759,204)</u>	<u>(971,596)</u>
Use (acquisition) of prepaid expenditure	-	69,809	(48,007)
INCREASE (DECREASE) IN NET FINANCIAL ASSETS	<u>\$ (2,689,191)</u>	<u>1,185,782</u>	<u>(2,650,703)</u>
NET FINANCIAL ASSETS, BEGINNING OF YEAR		<u>16,040,637</u>	18,691,340
NET FINANCIAL ASSETS, END OF YEAR		<u><u>\$ 17,226,419</u></u>	<u>\$ 16,040,637</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, 2017

		(Note 25)
	2017	2016
OPERATING TRANSACTIONS		
Annual surplus (deficit)	\$ 2,931,227	\$ (1,607,318)
Recovery by Indigenous and Northern Affairs Canada	(56,050)	(23,782)
Items not involving cash		
Amortization	1,241,554	1,198,295
Gain on disposal of tangible capital assets	(9,308)	(4,319)
Unrealized (gain) loss on investment	(1,961)	50,939
Loss (income) from government business entities	126,393	(3,494)
	4,231,855	(389,679)
Cash provided by (used in) operating activities		
Accounts receivable	(241,916)	(452,435)
Inventory	16,688	5,765
Ottawa trust funds	(1,837)	(1,855)
Prepaid expenditure	69,809	(48,007)
Accounts payable and accrued liabilities	540,785	(281,040)
Deferred revenue	1,347,673	(65,977)
Replacement reserve	10,868	10,868
	5,973,925	(1,222,360)
CAPITAL TRANSACTIONS		
Purchase of tangible capital assets	(3,498,521)	(2,175,572)
Proceeds on disposal of tangible capital assets	507,071	10,000
	(2,991,450)	(2,165,572)
FINANCING TRANSACTIONS		
Proceeds of revolving term loan	-	800,000
Proceeds of long-term debt	100,426	111,440
Repayment of long-term debt	(150,334)	(106,085)
Proceeds of treaty loan	302,505	276,560
	252,597	1,081,915
INVESTING TRANSACTIONS		
Purchase of share	-	(1)
Advances to government business entities	(522,374)	(206,622)
Advances from government business entities	62,611	286,985
Withdrawals from government business entities	245,000	708,487
Maturity of guaranteed investment certificates	-	590,076
Distribution (to) from endowment and trust funds	(2,345,408)	978,954
	(2,560,171)	2,357,879
INCREASE DURING YEAR	674,901	51,862
CASH, BEGINNING OF YEAR	1,706,294	1,654,432
CASH, END OF YEAR	\$ 2,381,195	\$ 1,706,294
Cash, consists of		
Cash	\$ 1,409,784	\$ 875,502
Restricted cash	971,411	830,792
	\$ 2,381,195	\$ 1,706,294

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, 2017

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 Treaty Society
- Ingenika Trading Post (An Enterprise), an unincorporated business entity owned and operated by the Tsay Keh Dene Nation in the Tsay Keh Dene community
- 0882074 B.C. Ltd., wholly-owned by Tsay Keh Dene Nation and a holding company of the administrative buildings in Prince George, BC, dependent on the Nation for its continuing operations.

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)
- 1035969 B.C. Ltd.
- Three Feathers GP Ltd. (33.3%)

TSAY KEH DENE NATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2017

1. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES, continued

Government business partnerships, in 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 LLP (33.33% interest)
- Claw Mountain Outfitters LLP (50% 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, 2017

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, 2017

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, 2017 the full \$200,000 was available.

3. ACCOUNTS RECEIVABLE

	2017	2016
Government		
Indigenous and Northern Affairs Canada	\$ 90,263	\$ 358,632
Canada Revenue Agency - GST	387,673	307,589
Other federal government	13,619	28,326
First Nations Health Authority	125,386	5,004
Province of British Columbia	87,386	134,544
	<u>704,327</u>	<u>834,095</u>
Trade	797,422	429,901
Tsay Keh Dene Nation members	1,041,863	1,040,256
Other	19,083	14,918
	<u>2,562,695</u>	<u>2,319,170</u>
Less: allowance for doubtful accounts	<u>(218,945)</u>	<u>(217,336)</u>
	<u>\$ 2,343,750</u>	<u>\$ 2,101,834</u>

4. INVENTORY

	2017	2016
Ingenika Trading Post		
Groceries and household items	\$ 97,588	\$ 94,582
Automotive and hardware	18,724	22,280
Gasoline, diesel and propane	30,599	45,645
Tobacco products	8,860	9,952
	<u>\$ 155,771</u>	<u>\$ 172,459</u>

TSAY KEH DENE NATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2017

5. RESTRICTED CASH

	2017	2016
Restricted cash consists of the following:		
GIC	\$ 50,000	\$ 50,000
Replacement Reserve	172,783	161,915
Treaty Negotiations	206,373	34,138
Integris Credit Union	<u>542,255</u>	<u>584,739</u>
	<u>\$ 971,411</u>	<u>\$ 830,792</u>

6. ENDOWMENT AND TRUST FUNDS

	2017	2016
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BC Hydro Trust Funds

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

\$ 2,060,026 \$ 2,054,033

BC Hydro Final Settlement Funds

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

20,166,076 17,826,661

\$ 22,226,102 \$ 19,880,694

TSAY KEH DENE NATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2017

7. INVESTMENTS IN GOVERNMENT BUSINESS ENTITIES (Appendix A)

	2017	2016
1035969 B.C. Ltd.		
- share	\$ 1	\$ 1
- advances to	156,699	125,199
	<u>156,700</u>	<u>125,200</u>
Chu-Cho Enterprises Ltd.		
- shares	1	1
- contributed surplus	974,899	974,899
- advances to	552,817	552,817
- deficit	(441,064)	(441,064)
	<u>1,086,653</u>	<u>1,086,653</u>
Ingenika Logging Ltd.		
- shares	100	100
- advances to	558,310	558,310
- deficit	(558,410)	(933,410)
	<u>-</u>	<u>(375,000)</u>
Tsay Keh Enterprises Ltd.		
- share	1	1
- advances to	637,887	655,717
- deficit	(39,772)	(66,657)
	<u>598,116</u>	<u>589,061</u>
Tsay Keh Holdings Ltd. (dba Tsay Keh Dene Outfitters)		
- shares	100	100
- advances to	974,113	974,113
- deficit	(281,910)	(281,910)
	<u>692,303</u>	<u>692,303</u>
Tsay Keh Economic Development Corporation		
- shares	100	100
- advances to	6,774	6,774
- equity	73	152
	<u>6,947</u>	<u>7,026</u>
Balance forward	<u>\$ 2,540,719</u>	<u>\$ 2,125,243</u>

TSAY KEH DENE NATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2017

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

	2017	2016
Balance forward	\$ 2,540,719	\$ 2,125,243
Chu Cho Industries Limited Partnership		
- partnership units, at cost	9,999	9,999
- advances to	242,958	77,084
- partner's equity	351,218	1,141,183
	<u>604,175</u>	<u>1,228,266</u>
Tsay Keh Developments Limited Partnership		
- partnership units, at cost	9,999	9,999
- advances from	(9,999)	(9,999)
	<u>-</u>	<u>-</u>
Three Feathers GP Ltd.		
- shares	100	100
- advances from	(100)	(100)
- equity	23	25
	<u>23</u>	<u>25</u>
Three Feathers Limited Partnership		
- partnership units, at cost	33	33
- partnership equity	69,616	108,610
	<u>69,649</u>	<u>108,643</u>
Tse Keh Nay (A Partnership)		
- partners' capital	-	29,696
Tse Keh Nay LLP		
- partnership equity	<u>46,427</u>	<u>-</u>
Claw Mountain Outfitters LLP		
- partnership equity	<u>319,250</u>	<u>-</u>
	<u>\$ 3,580,243</u>	<u>\$ 3,491,873</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, 2017

8. INVESTMENTS

	2017	2016
Resolute Forest Products Inc. Shares, at realizable value	\$ 24,106	\$ 22,145
Traplines, at cost	146,825	146,825
	<u>\$ 170,931</u>	<u>\$ 168,970</u>

9. OTTAWA TRUST FUNDS

	Revenue	Capital	Total 2017	Total 2016
Balance, beginning of year	\$ 36,810	\$ -	\$ 36,810	\$ 34,955
Interest	723	-	723	742
BC Special	1,114	-	1,114	1,113
Balance, end of year	<u>\$ 38,647</u>	<u>\$ -</u>	<u>\$ 38,647</u>	<u>\$ 36,810</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. REVOLVING TERM LOAN

The revolving term loan is approved to a maximum of \$1,265,000 with interest payable monthly at prime plus 1.05% (March 31, 2017 - 3.75%), secured by general security agreement, postponement of claim by Tsay Keh Dene Nation, and assets with a net book value of \$1,669,198. After the last drawdown, the loan will convert to a non-revolving term loan with monthly installments of \$7,800 including interest at 4.0%, beginning one month after the date of drawdown.

TSAY KEH DENE NATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2017

11. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2017	2016
Trade payables and accrued liabilities	\$ 1,778,072	\$ 1,240,575
Wages and government remittances payable	225,588	226,454
Pension and group benefits payable	22,679	18,525
	<u>\$ 2,026,339</u>	<u>\$ 1,485,554</u>

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 \$ 97,726 (2016 - \$89,547) for retirement benefits.

12. DEFERRED REVENUE

	2017	2016
Indigenous and Northern Affairs Canada		
Capital Surplus	\$ 53,738	\$ 1,322
ICMS 9-00126370 Renovations	56,941	-
CPMS #11533 Transfer station	1,070,700	-
ICMS 9-00126309 Capacity development	67,495	-
ICMS 9-00126161 Multi-units construction	255,400	-
	1,504,274	1,322
Other		
BC Hydro	143,314	351,656
First Nations Health Authority	10,100	-
Province of British Columbia	42,963	-
	196,377	351,656
	<u>\$ 1,700,651</u>	<u>\$ 352,978</u>

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

TSAY KEH DENE NATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2017

13. LONG-TERM DEBT

	2017	2016
Mortgage repayable in monthly instalments of \$1,107 including interest at prime plus 1.05% (March 31, 2017 - 3.75%) 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 2021	\$ 93,173	\$ 102,769
Mortgage repayable in monthly instalments of \$970 including interest at 3.03% 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 2021	97,813	106,346
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	182,538	194,121
Mortgage repayable in monthly instalments of \$3,742 including interest at 2.64% per annum, secured by a Government of Canada ministerial guarantee, due to renew April 2021	361,871	396,542
Conditional sales contract payable in monthly instalments of \$911 including interest at 6.69%, secured by equipment with a net book value of \$38,826	42,776	-
Conditional sales contract payable in monthly instalments of \$893 including interest at 6.69%, secured by equipment with a net book value of \$37,976	41,933	-
Conditional sales contract	-	24,192
Conditional sales contract	-	24,572
	<u>\$ 820,104</u>	<u>\$ 848,542</u>

TSAY KEH DENE NATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2017

13. LONG-TERM DEBT, continued

	2017	2016
Balance forward	\$ 820,104	\$ 848,542
Loan repayable in monthly instalments of \$2,023 including interest at 3.4% per annum, secured by equipment with a net book value of \$93,776	<u>70,924</u>	<u>92,394</u>
	<u>\$ 891,028</u>	<u>\$ 940,936</u>

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

2018	108,113
2019	111,412
2020	114,813
2021	95,701
2022	<u>78,247</u>
	<u>\$ 508,286</u>

14. 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.

15. 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.

TSAY KEH DENE NATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2017

16. TANGIBLE CAPITAL ASSETS (Appendix B)

			2017	2016
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Automotive equipment	\$ 616,025	\$ 405,239	\$ 210,786	\$ 125,887
Buildings	7,928,238	2,439,359	5,488,879	5,013,160
Computer equipment	271,524	124,751	146,773	205,248
Equipment	797,884	603,012	194,872	238,818
Furniture and office equipment	98,500	53,378	45,122	52,576
Heavy duty equipment	500,265	434,998	65,267	74,569
Housing	18,360,241	6,768,292	11,591,949	10,096,166
Infrastructure	12,654,014	4,973,710	7,680,304	7,752,073
Ingenika Trading Post	758,929	357,888	401,041	414,602
	41,985,620	16,160,627	25,824,993	23,973,099
Land	938,199	-	938,199	1,030,889
	<u>\$ 42,923,819</u>	<u>\$ 16,160,627</u>	<u>\$ 26,763,192</u>	<u>\$ 25,003,988</u>

17. 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, 2017 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 may become 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.

TSAY KEH DENE NATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2017

18. RECONCILIATION OF INAC FUNDING AGREEMENT REVENUE

Pursuant to the Indigenous and Northern Affairs Canada Financial Reporting Requirements for the fiscal period 2016 - 2017 the following reconciliation has been prepared:

Recipient total as per 2016/2017 INAC funding confirmation	\$ 6,198,678
Variance	<u>-</u>
INAC revenue as per consolidated statement of operations	<u>\$ 6,198,678</u>

19. GOVERNMENT TRANSFERS

	2017			2016		
	<u>Operating</u>	<u>Capital</u>	<u>Total</u>	<u>Operating</u>	<u>Capital</u>	<u>Total</u>
Federal government transfers:						
Indigenous and Northern Affairs						
Canada	\$ 3,002,519	\$ 3,196,159	\$ 6,198,678	\$ 2,781,332	\$ 526,736	\$ 3,308,068
Canada Mortgage and Housing	-	105,000	105,000	-	-	-
Other	-	-	-	28,326	-	28,326
	<u>3,002,519</u>	<u>3,301,159</u>	<u>6,303,678</u>	<u>2,809,658</u>	<u>526,736</u>	<u>3,336,394</u>
Provincial government transfers	603,975	90,000	693,975	586,365	-	586,365
First Nations Health Authority	943,707	150,000	1,093,707	848,869	-	848,869
	<u>\$ 4,550,201</u>	<u>\$ 3,541,159</u>	<u>\$ 8,091,360</u>	<u>\$ 4,244,892</u>	<u>\$ 526,736</u>	<u>\$ 4,771,628</u>

20. 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 sold goods and services in the amount of \$116,090 (2016 - \$265,333) to Chu Cho Industries Limited Partnership, and its divisions Chu-Cho Environmental Consulting and Chu Cho Forestry, and paid for services rendered in the amount of \$2,403,811 (2016 - \$161,824) of which \$234,374 is outstanding in accounts payable at year end.

TSAY KEH DENE NATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2017

21. 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.

22. 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 majority of 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 has one mortgage and maintains an operating line of credit subject to floating rates of interest, a change in the variable rate can impact cash flow to service these debts when such debts are outstanding. There has been no change to the risk exposure from 2016 and there is expected to be no substantive change in the next fiscal period.

23. 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:

TSAY KEH DENE NATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2017

23. SEGMENT DISCLOSURE, continued

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.

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;

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

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.

24. BUDGETED FIGURES

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

25. 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, 2017

	EDUCATION AND TRAINING				GOVERNMENT DEVELOPMENT AND ADMINISTRATION				HEALTH SERVICES				HOUSING				LANDS AND RESOURCES			
	(Note 25)		(Note 25)		(Note 25)		(Note 25)		(Note 25)		(Note 25)		(Note 25)		(Note 25)		(Note 25)		(Note 25)	
	Budget	2017	Budget	2016	Budget	2017	Budget	2016	Budget	2017	Budget	2016	Budget	2017	Budget	2016	Budget	2017	Budget	2016
REVENUE																				
Indigenous and Northern Affairs Canada	\$ 1,047,476	\$ 1,331,578	\$ 1,273,811	\$ 409,840	\$ 35,235	\$ 454,978	\$ 33,079	\$ 38,815	\$ 33,079	\$ 38,815	\$ 120,000	\$ -	\$ -	\$ -	\$ 35,707	\$ 202,941	\$ 84,558	\$ -	\$ -	\$ -
First Nations Health Authority	-	-	-	-	-	-	-	-	796,809	943,707	-	-	-	-	-	-	-	-	-	-
Province of British Columbia	-	212,846	323,790	5,487	-	-	169,176	172,048	-	-	-	-	-	-	-	-	15,000	-	-	-
BC Hydro	106,030	88,069	67,486	694,683	481,229	484,543	53,272	234,850	188,019	121,070	122,326	138,293	302,761	313,011	302,761	432,522	-	-	-	-
Ingraham Trading Post	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest and trust income	-	-	-	3,307	-	2,818	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rent and other	315,649	342,648	280,639	307,602	342,200	534,908	145,000	140,721	101,599	50,386	272,500	76,401	-	-	505,000	211,802	431,293	-	-	-
Ottawa trust funds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Income from government	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Business entities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Decrease (increase) in deferred revenue	-	-	-	-	-	(3,221)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL REVENUE	1,469,205	1,975,152	1,945,786	1,421,419	859,714	1,473,926	1,199,487	1,520,747	1,345,114	171,456	464,526	214,294	873,468	3,653,654	873,468	563,383				
EXPENDITURE																				
Administration	84,998	85,498	124,812	-	-	33,137	22,240	22,758	3,679	-	1,200	-	-	-	100,000	136,823	4,005	-	-	-
Amortization and interest	-	-	-	13,759	-	3,692	-	3,692	4,090	-	-	-	18,906	-	-	2,323	3,971	-	-	-
Contract	-	224,609	156,627	42,145	36,000	48,785	75,703	150,874	122,361	34,856	10,000	50,825	2,742,451	2,890,110	2,742,451	150,293	-	-	-	-
Capital purchases and debt repayment	2,400	7,647	31,421	-	-	14,900	-	9,596	27,061	54,786	-	-	-	-	114,500	36,559	53,586	-	-	-
Honouraria	18,899	1,075	7,055	-	36,000	6,051	2,766	1,480	221	-	-	-	-	-	4,500	5,232	2,595	-	-	-
Professional fees	-	-	-	134,257	105,000	102,762	6,000	1,589	1,099	-	-	-	-	-	110,237	149,623	82,861	-	-	-
Rent	-	6,000	6,275	10,575	-	1,589	6,000	-	1,099	-	-	-	-	-	24,000	10,695	25,855	-	-	-
Repairs and maintenance	-	13,963	93,123	2,402	5,500	1,762	2,500	464	644	32,500	32,500	30,382	28,000	12,149	14,743	14,743	-	-	-	-
Supplies	32,336	64,367	30,109	37,141	30,800	45,179	52,079	83,008	71,811	109,644	109,644	79,661	38,137	37,585	63,731	-	-	-	-	-
Telephone and utilities	180,175	109,423	61,324	70,854	47,800	69,218	16,823	24,111	26,311	46,019	5,400	4,592	600	879	600	180	-	-	-	-
Travel and accommodations	66,599	61,269	55,778	332,510	352,800	332,510	263,955	591,698	383,198	1,559	33,600	4,663	37,500	28,858	37,500	47,746	-	-	-	-
Wages and benefits	941,894	746,880	769,955	1,018,599	607,041	917,288	723,416	777,153	605,635	100,213	225,205	220,432	364,315	340,910	364,315	495,442	-	-	-	-
Workshops and training	85,163	94,512	135,676	-	35,850	13,027	24,301	5,246	7,301	-	-	-	-	-	5,000	800	2,470	-	-	-
Other	65,000	104,029	147,090	146,394	205,249	57,837	94,965	47,461	33,121	23,124	45,000	45,926	-	-	12,000	3,251	4,790	-	-	-
Loss from government business entities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL EXPENDITURE	1,480,464	1,518,732	1,625,245	1,816,875	1,462,040	1,634,045	1,284,748	1,637,541	1,286,512	297,077	456,949	512,452	3,581,310	3,656,197	3,581,310	958,168				
EXCESS REVENUE OVER EXPENDITURE (EXPENDITURE OVER REVENUE)	\$ (11,259)	\$ 456,420	\$ 317,541	\$ (395,456)	\$ (602,326)	\$ (160,119)	\$ (85,261)	\$ (106,794)	\$ 58,582	\$ 7,877	\$ (125,621)	\$ (297,658)	\$ (2,707,842)	\$ (2,543)	\$ (2,707,842)	\$ 5,215				

TSAY KEH DENE NATION
SEGMENT DISCLOSURE
YEAR ENDED MARCH 31, 2017

	PUBLIC WORKS			SOCIAL AND COMMUNITY SERVICES			TREATY CLAIMS AND NEGOTIATIONS			TRUST FUNDS			OTHER		
	OPERATIONS AND MAINTENANCE														
	Budget	2017	(Note 25) 2016	Budget	2017	(Note 25) 2016	Budget	2017	(Note 25) 2016	Budget	2017	(Note 25) 2016	Budget	2017	(Note 25) 2016
REVENUE															
Indigenous and Northern Affairs Canada	\$ 974,144	\$ 974,307	\$ 979,434	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
First Nations Health Authority	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Province of British Columbia	-	-	-	-	16,740	-	100,835	100,835	69,140	-	-	-	-	-	-
BC Hydro (withdrawals in excess of deposits)	602,845	572,404	517,092	461,796	561,797	719,925	-	-	-	(130,632)	-	(842,743)	-	1,988,515	2,039,439
Ingerika Trading Post	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest and trust income	-	-	-	-	-	-	-	-	-	2,571,244	31,657	-	-	107	-
Rent and other	426,575	89,633	39,907	20,800	17,780	31,626	-	-	-	135,216	-	-	-	1,641	11,916
Ottawa trust funds	-	-	-	-	-	-	-	-	-	1,837	-	1,855	-	-	-
Income from government business entities	-	-	-	-	-	-	-	-	-	-	-	-	-	463,938	180,629
Decrease (increase) in deferred revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL REVENUE	2,003,664	1,636,344	1,536,493	482,596	596,317	751,551	100,835	100,835	69,140	2,577,665	(809,231)	-	2,454,201	2,231,984	-
EXPENDITURE															
Administration	-	-	-	-	1,252	3,465	24,000	24,000	12,000	-	75,999	71,067	-	30,000	37,838
Amortization and interest	-	2,805	3,208	-	-	-	-	-	-	-	-	-	-	21,315	22,437
Contract	795,000	789,169	800,461	268,247	192,066	273,185	72,000	72,000	67,700	-	-	-	-	28,581	28,581
Capital purchases and debt repayment	-	161,947	22,112	-	-	22,895	-	-	-	-	-	-	-	-	-
Honoraria	-	-	800	13,000	12,365	12,235	4,000	4,000	45,855	-	-	-	-	-	-
Professional fees	-	-	2,345	-	-	-	19,600	9,864	9,805	-	-	-	-	17,755	9,500
Rent	2,000	725	52	3,000	2,483	6,659	15,560	15,095	16,756	-	-	-	-	-	-
Repairs and maintenance	59,564	10,076	12,234	-	44	3,114	600	700	-	-	-	-	-	2,859	279
Supplies	114,969	19,597	43,408	21,079	10,807	34,553	2,400	5,489	4,017	-	-	-	-	16,220	19,631
Telephone and utilities	321,825	511,143	422,496	20,800	26,553	16,614	12,600	19,737	11,887	-	-	-	-	17,540	16,042
Travel and accommodations	68,600	59,868	65,077	29,700	38,809	23,059	27,853	18,118	30,898	-	-	-	-	10,484	10,816
Wages and benefits	276,915	286,419	124,659	194,132	246,495	158,869	222,975	239,663	147,527	-	-	-	-	212,313	241,585
Workshops and training	8,000	-	-	2,000	200	-	4,000	4,880	1,245	-	-	-	-	-	-
Other	10,000	39,130	63,820	88,200	106,314	69,218	240	332	1,264	-	158,114	120,622	-	1,745,956	1,716,618
Loss from government business entities	-	-	-	-	-	-	-	-	-	-	-	-	-	590,331	177,135
	1,656,873	1,880,876	1,560,672	640,158	637,388	623,866	405,028	405,478	348,954	-	234,113	191,689	-	2,690,014	2,280,442
EXCESS REVENUE OVER EXPENDITURE (EXPENDITURE OVER REVENUE)	\$ 346,791	\$ (244,532)	\$ (24,179)	\$ (157,562)	\$ (41,071)	\$ 127,685	\$ (304,793)	\$ (404,643)	\$ (279,814)	\$ -	\$ 2,343,552	\$ (1,000,920)	\$ -	\$ (235,813)	\$ (418,453)

TSAY KEH DENE NATION
SEGMENT DISCLOSURE
YEAR ENDED MARCH 31, 2017

	TANGIBLE CAPITAL ASSETS			TOTAL BEFORE ADJUSTMENTS			CONSOLIDATION ADJUSTMENTS			CONSOLIDATED TOTALS		
	Budget	2017	(Note 25)	Budget	2017	(Note 25)	Budget	2017	(Note 25)	Budget	2017	(Note 25)
REVENUE												
Indigenous and Northern Affairs Canada	\$ 80,000	\$ 3,196,159	\$ 526,736	\$ 2,324,842	\$ 6,198,678	\$ 3,308,068	\$ -	\$ -	\$ -	\$ 2,324,842	\$ 6,198,678	\$ 3,308,068
First Nations Health Authority	-	150,000	-	796,809	1,093,707	848,869	-	-	-	796,809	1,093,707	848,869
Province of British Columbia	-	90,000	-	300,011	693,975	586,365	-	-	-	300,011	693,975	586,365
BC Hydro	-	-	288,207	2,130,409	5,060,123	2,203,584	-	-	-	2,130,409	5,060,123	2,203,584
Ingenika Trading Post	-	-	-	-	1,988,515	2,039,439	-	-	-	-	1,988,515	2,039,439
Interest and trust income	-	-	-	4,000	2,574,169	35,464	-	(135,216)	-	4,000	2,438,953	35,464
Rent and other	100,000	161,015	-	2,077,724	1,685,750	1,281,103	-	-	-	2,077,724	1,685,750	1,281,103
Ottawa trust funds	-	-	-	-	1,837	1,855	-	-	-	-	1,837	1,855
Income from government business entities	-	-	-	-	463,938	180,629	-	-	-	-	463,938	180,629
Decrease (increase) in deferred revenue	-	(1,344,452)	69,127	-	(1,347,673)	69,127	-	-	-	-	(1,347,673)	69,127
TOTAL REVENUE	180,000	2,252,722	884,070	7,633,795	18,413,019	10,554,503	-	(135,216)	-	7,633,795	18,277,803	10,554,503
EXPENDITURE												
Administration	-	-	796	232,438	376,330	257,662	-	-	(796)	232,438	376,330	256,866
Amortization and interest	-	-	-	-	82,178	72,340	-	1,185,166	1,162,097	-	1,267,344	1,234,437
Contract	155,000	1,503,050	764,707	4,154,401	5,930,820	2,457,585	(155,000)	(1,503,050)	(764,707)	3,999,401	4,427,770	1,692,878
Capital purchases and debt repayment	-	(52,416)	70,264	116,900	233,419	278,435	(116,900)	(232,419)	(278,435)	-	-	-
Honoraria	1,500	-	-	79,165	30,803	69,161	-	-	-	79,165	30,803	69,161
Professional fees	-	-	-	236,337	280,004	238,798	(1,500)	-	-	234,837	280,004	238,798
Rent	-	-	-	50,360	36,587	67,271	-	-	-	50,360	36,587	67,271
Repairs and maintenance	-	-	-	128,664	53,186	161,921	-	-	-	128,664	53,186	161,921
Supplies	105,000	555,520	126,889	501,444	882,191	515,951	(105,000)	(553,520)	(126,889)	396,444	328,671	389,662
Telephone and utilities	-	-	-	606,023	785,049	630,300	-	-	-	606,023	785,049	630,300
Travel and accommodations	-	47,950	3,379	880,007	1,091,120	965,223	-	(47,950)	(3,379)	880,007	1,043,170	961,844
Wages and benefits	147,884	272,963	148,258	3,703,847	4,131,297	3,930,851	(147,884)	(272,963)	(148,258)	3,555,963	3,858,334	3,782,593
Workshops and training	-	-	-	167,314	118,665	150,692	-	-	-	167,314	118,665	150,692
Other	2,000	6,598	-	522,654	2,292,146	2,348,863	(2,000)	(141,814)	-	520,654	2,150,332	2,348,863
Loss from government business entities	-	-	-	-	590,331	177,135	-	-	-	-	590,331	177,135
EXCESS REVENUE OVER EXPENDITURE (EXPENDITURE OVER REVENUE)	411,384	2,331,665	1,114,293	11,379,554	16,913,126	12,322,188	(528,284)	(1,566,550)	(160,367)	10,851,270	15,346,576	12,161,821
	\$ (231,384)	\$ (78,043)	\$ (230,223)	\$ (3,745,759)	\$ 1,499,893	\$ (1,767,685)	\$ 528,284	\$ 1,431,334	\$ 160,367	\$ (3,217,475)	\$ 2,931,227	\$ (1,607,318)

TSAY KEH DENE NATION
GOVERNMENT BUSINESS ENTITIES
CONDENSED FINANCIAL INFORMATION
YEAR ENDED MARCH 31, 2017

APPENDIX A

	1035969 B.C. Ltd.	Chu-Cho Enterprises Ltd.	Chu-Cho Industries Limited Partnership	Claw Mountain LLP	Igenika Logging Ltd.	Three Feathers GP Ltd.	Three Feathers Limited Partnership	Tsay Keh Developments Limited Partnership	Tsay Keh Economic Development Corporation	Tsay Keh Enterprises Ltd.	Tsay Keh Holdings Ltd.	Tsay Keh Partnership LLP	Total 2017	(Note 25) Total 2016
Assets														
Financial Assets	\$ -	\$ -	\$ 1,886,236	\$ 11,434	\$ -	\$ 273	\$ 184,194	\$ 10,839	\$ 377	\$ 106,679	\$ 1,108	\$ 146,251	\$ 2,247,391	\$ 2,678,862
Tangible Capital Assets	-	-	8,224,455	84,375	-	-	-	-	-	538,644	33,984	-	8,881,458	6,372,228
Other Assets	156,700	-	75,836	502,469	-	-	37,193	13,413	25,415	1,510	661,311	-	1,528,858	1,979,022
Total Assets	\$ 156,700	\$ -	\$ 10,186,527	\$ 638,269	\$ -	\$ 273	\$ 216,387	\$ 24,252	\$ 25,492	\$ 646,853	\$ 696,400	\$ 146,251	\$ 12,787,707	\$ 11,030,112
Liabilities														
Debt	-	-	1,817,929	3,125	-	-	7,348	-	-	-	48,737	-	1,888,213	2,308,303
Contributed Surplus	-	-	6,720,771	-	-	-	-	-	-	-	-	-	6,720,771	4,787,198
Equity (Deficit)	-	974,899	361,312	655,144	(558,310)	370	202,039	10,000	173	(39,271)	(281,810)	139,280	974,899	974,899
Total Liabilities and Equity	\$ 156,699	\$ (533,836)	\$ 8,958,012	\$ 638,269	\$ (558,310)	\$ 373	\$ 216,387	\$ 10,000	\$ 173	\$ 8,966	\$ (277,110)	\$ 146,251	\$ 9,681,748	\$ 7,956,997
Related Party Loans														
Intercompany Loans	-	-	1,043,557	-	-	-	-	-	-	-	-	-	-	-
Tsay Keh Dene Nation Advances	156,699	(1,086,653)	242,958	-	558,310	(100)	-	(9,999)	6,774	637,887	974,113	-	3,119,459	3,103,615
Related Party Loans	\$ 156,699	\$ (533,836)	\$ 1,286,515	\$ -	\$ 558,310	\$ (100)	\$ -	\$ 14,252	\$ 25,619	\$ 637,887	\$ 974,113	\$ -	\$ 3,119,459	\$ 3,103,615
Revenue														
Revenue	-	-	15,245,516	98,178	375,000	-	-	-	-	72,314	-	216,420	16,007,348	12,046,309
Expenses	-	-	14,387,865	106,514	-	5	56,989	-	79	12,449	-	31,884	14,895,785	10,910,531
Amortization	-	-	1,422,593	3,165	-	-	-	-	-	28,781	-	-	1,454,539	678,341
Interest	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Corporate Income Taxes	-	-	-	-	-	-	-	-	-	4,158	-	-	-	141,330
Total Expenses	-	-	15,810,458	109,679	-	5	56,989	-	79	45,438	-	31,884	16,054,522	11,734,321
Net (Loss) Income	\$ -	\$ -	\$ (565,022)	\$ (11,501)	\$ 375,000	\$ (5)	\$ (56,989)	\$ -	\$ (79)	\$ 26,886	\$ -	\$ 184,536	\$ (47,174)	\$ 311,988
Tsay Keh Dene Nation Share	\$ -	\$ -	\$ (564,965)	\$ (5,750)	\$ 375,000	\$ (2)	\$ (18,995)	\$ -	\$ (79)	\$ 26,886	\$ -	\$ 61,512	\$ (126,393)	\$ 3,494

TSAY KEH DENE NATION
TANGIBLE CAPITAL ASSETS
YEAR ENDED MARCH 31, 2017

APPENDIX B

	COST			ACCUMULATED AMORTIZATION				NET BOOK VALUE	
	Opening Balance	Additions	Disposals	Balance End of Year	Opening Balance	Amortization	Disposals	Balance End of Year	2017
Automotive equipment	\$ 601,815	\$ 192,529	\$ (178,319)	\$ 616,025	\$ 475,928	\$ 49,081	\$ (119,770)	\$ 405,239	\$ 210,786
Buildings	7,321,901	1,011,339	(405,002)	7,928,238	2,308,741	205,392	(74,774)	2,439,359	5,488,879
Computer equipment	267,878	3,646	-	271,524	62,630	62,121	-	124,751	146,773
Equipment	793,884	4,000	-	797,884	555,066	47,946	-	603,012	194,872
Furniture and office equipment	95,099	3,401	-	98,500	42,523	10,855	-	53,378	45,122
Heavy duty equipment	484,890	29,550	(14,175)	500,265	410,321	24,677	-	434,998	65,267
Housing	16,350,641	2,009,600	-	18,360,241	6,254,475	513,817	-	6,768,292	11,591,949
Infrastructure	12,419,433	234,581	-	12,654,014	4,667,360	306,350	-	4,973,710	7,680,304
Ingenika Trading Post	768,546	9,875	(19,492)	758,929	353,944	21,315	(17,371)	357,888	401,041
Land	1,030,889	-	(92,690)	938,199	-	-	-	-	938,199
	\$ 40,134,976	\$ 3,498,521	\$ (709,678)	\$ 42,923,819	\$ 15,130,988	\$ 1,241,554	\$ (211,915)	\$ 16,160,627	\$ 26,763,192

	COST			ACCUMULATED AMORTIZATION			NET BOOK VALUE		
	Opening Balance	Additions	Disposals	Balance End of Year	Opening Balance	Amortization	Disposals	Balance End of Year	(Note 25) 2016
Automotive equipment	\$ 565,625	\$ 36,190	\$ -	\$ 601,815	\$ 429,732	\$ 46,196	\$ -	\$ 475,928	\$ 125,887
Buildings	6,929,204	392,697	-	7,321,901	2,115,474	193,267	-	2,308,741	5,013,160
Computer equipment	37,260	37,260	-	267,878	24,085	38,545	-	205,248	205,248
Equipment	640,072	163,812	(10,000)	793,884	520,476	38,909	(4,319)	555,066	238,818
Furniture and office equipment	74,921	20,178	-	95,099	31,901	10,622	-	42,523	32,576
Heavy duty equipment	449,890	35,000	-	484,890	385,862	24,459	-	410,321	74,569
Housing	15,671,571	679,070	-	16,350,641	5,746,751	507,724	-	6,254,475	10,096,166
Infrastructure	12,255,984	163,449	-	12,419,433	4,351,224	316,136	-	4,667,360	7,752,073
Ingenika Trading Post	752,187	16,359	-	768,546	331,507	22,437	-	353,944	414,602
Land	592,690	438,199	-	1,030,889	-	-	-	-	1,030,889
	\$ 37,969,404	\$ 2,175,572	\$ (10,000)	\$ 40,134,976	\$ 13,937,012	\$ 1,198,295	\$ (4,319)	\$ 15,130,988	\$ 25,003,988