

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

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CONSOLIDATED FINANCIAL STATEMENTS  
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.

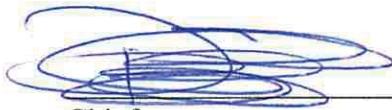
Management is responsible for the integrity and objectivity of these statements and for implementing and maintaining a system of internal control to provide reasonable assurance that reliable financial information is produced.

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**

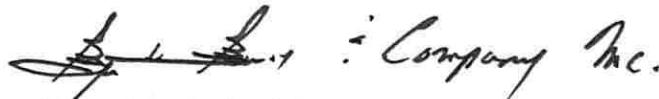
Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain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



Chartered Professional Accountants

October 24, 2017  
Prince George, British Columbia

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

	(Note 25)	
	2017	2016
<b>FINANCIAL ASSETS</b>		
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
	<b><u>30,896,639</u></b>	<b><u>27,558,934</u></b>
<b>LIABILITIES</b>		
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
	<b><u>13,670,220</u></b>	<b><u>11,518,297</u></b>
<b>NET FINANCIAL ASSETS</b>	<b><u>17,226,419</u></b>	<b><u>16,040,637</u></b>
<b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets (Note 16)	26,763,192	25,003,988
Prepaid expenditure	58,999	128,808
	<b><u>26,822,191</u></b>	<b><u>25,132,796</u></b>
<b>ACCUMULATED SURPLUS</b>	<b><u>\$ 44,048,610</u></b>	<b><u>\$ 41,173,433</u></b>
<b>CONTINGENT LIABILITIES (Note 17)</b>		

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
<b>REVENUE</b>			
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>
<b>EXPENDITURE</b>			
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>
<b>ANNUAL SURPLUS (DEFICIT)</b>	<u>\$ (3,217,475)</u>	<u>2,931,227</u>	<u>(1,607,318)</u>
<b>ACCUMULATED SURPLUS, BEGINNING OF YEAR</b>		<u>41,173,433</u>	<u>42,804,533</u>
<b>RECOVERY BY</b>			
Indigenous and Northern Affairs Canada		<u>(56,050)</u>	<u>(23,782)</u>
<b>ACCUMULATED SURPLUS, END OF YEAR</b>		<u><b>\$ 44,048,610</b></u>	<u><b>\$ 41,173,433</b></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)	<b>\$ 2,931,227</b>	\$ (1,607,318)
Recovery by Indigenous and Northern Affairs Canada	-	<b>(56,050)</b>	(23,782)
		<b>(3,217,475)</b>	<b>2,875,177</b>
Acquisition of tangible capital assets	528,284	(3,498,521)	(2,175,572)
Amortization	-	<b>1,241,554</b>	1,198,295
Proceeds on disposal of tangible capital assets	-	<b>507,071</b>	10,000
Gain on disposal of tangible capital assets	-	<b>(9,308)</b>	(4,319)
	<b>528,284</b>	<b>(1,759,204)</b>	<b>(971,596)</b>
Use (acquisition) of prepaid expenditure	-	<b>69,809</b>	(48,007)
<b>INCREASE (DECREASE) IN NET FINANCIAL ASSETS</b>	<b><u>\$ (2,689,191)</u></b>	<b>1,185,782</b>	<b>(2,650,703)</b>
<b>NET FINANCIAL ASSETS, BEGINNING OF YEAR</b>		<b><u>16,040,637</u></b>	<b>18,691,340</b>
<b>NET FINANCIAL ASSETS, END OF YEAR</b>		<b><u>\$ 17,226,419</u></b>	<b><u>\$ 16,040,637</u></b>

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
<b>OPERATING TRANSACTIONS</b>		
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	<u>126,393</u>	<u>(3,494)</u>
	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	<u>10,868</u>	<u>10,868</u>
	<u>5,973,925</u>	<u>(1,222,360)</u>
<b>CAPITAL TRANSACTIONS</b>		
Purchase of tangible capital assets	(3,498,521)	(2,175,572)
Proceeds on disposal of tangible capital assets	<u>507,071</u>	<u>10,000</u>
	<u>(2,991,450)</u>	<u>(2,165,572)</u>
<b>FINANCING TRANSACTIONS</b>		
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	<u>302,505</u>	<u>276,560</u>
	<u>252,597</u>	<u>1,081,915</u>
<b>INVESTING TRANSACTIONS</b>		
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	<u>(2,345,408)</u>	<u>978,954</u>
	<u>(2,560,171)</u>	<u>2,357,879</u>
<b>INCREASE DURING YEAR</b>	<b>674,901</b>	<b>51,862</b>
<b>CASH, BEGINNING OF YEAR</b>	<b>1,706,294</b>	<b>1,654,432</b>
<b>CASH, END OF YEAR</b>	<b>\$ 2,381,195</b>	<b>\$ 1,706,294</b>
Cash, consists of		
Cash	\$ 1,409,784	\$ 875,502
Restricted cash	<u>971,411</u>	<u>830,792</u>
	<u>\$ 2,381,195</u>	<u>\$ 1,706,294</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, 2017**

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**1. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES**

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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**

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**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**

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**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**

	<b>2017</b>	<b>2016</b>
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	<u>87,386</u>	<u>134,544</u>
	704,327	834,095
Trade		
Tsay Keh Dene Nation members	797,422	429,901
Other	<u>1,041,863</u>	<u>1,040,256</u>
	<u>19,083</u>	<u>14,918</u>
	2,562,695	2,319,170
Less: allowance for doubtful accounts	<u>(218,945)</u>	<u>(217,336)</u>
	<u><b>\$ 2,343,750</b></u>	<u><b>\$ 2,101,834</b></u>

**4. INVENTORY**

	<b>2017</b>	<b>2016</b>
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	<u>8,860</u>	<u>9,952</u>
	<u><b>\$ 155,771</b></u>	<u><b>\$ 172,459</b></u>

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

**5. RESTRICTED CASH**

	<b>2017</b>	<b>2016</b>
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><u>\$ 971,411</u></u>	<u><u>\$ 830,792</u></u>

**6. ENDOWMENT AND TRUST FUNDS**

	<b>2017</b>	<b>2016</b>
<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	\$ 2,060,026	\$ 2,054,033
<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>20,166,076</u>	<u>17,826,661</u>
	<u><u>\$ 22,226,102</u></u>	<u><u>\$ 19,880,694</u></u>

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

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

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**

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**8. INVESTMENTS**

	2017	2016
Resolute Forest Products Inc.		
Shares, at realizable value	\$ 24,106	\$ 22,145
Traplines, at cost	<u>146,825</u>	<u>146,825</u>
	<u><u>\$ 170,931</u></u>	<u><u>\$ 168,970</u></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	<u>1,114</u>	-	<u>1,114</u>	<u>1,113</u>
Balance, end of year	<u><u>\$ 38,647</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 38,647</u></u>	<u><u>\$ 36,810</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. 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**

	<b>2017</b>	<b>2016</b>
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	<u>22,679</u>	<u>18,525</u>
	<u><b>\$ 2,026,339</b></u>	<u><b>\$ 1,485,554</b></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**

	<b>2017</b>	<b>2016</b>
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	<u>255,400</u>	<u>-</u>
	<b>1,504,274</b>	1,322
Other		
BC Hydro	143,314	351,656
First Nations Health Authority	10,100	-
Province of British Columbia	<u>42,963</u>	<u>-</u>
	<b><u>196,377</u></b>	<b><u>351,656</u></b>
	<b><u>\$ 1,700,651</u></b>	<b><u>\$ 352,978</u></b>

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**

	<b>2017</b>	<b>2016</b>
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
	<b>\$ 820,104</b>	<b>\$ 848,542</b>

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

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**13. LONG-TERM DEBT, continued**

	<b>2017</b>	<b>2016</b>
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><u>\$ 891,028</u></u>	<u><u>\$ 940,936</u></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><u>\$ 508,286</u></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**

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**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	<u>758,929</u>	<u>357,888</u>	<u>401,041</u>	<u>414,602</u>
	<u>41,985,620</u>	<u>16,160,627</u>	<u>25,824,993</u>	<u>23,973,099</u>
Land	<u>938,199</u>	<u>-</u>	<u>938,199</u>	<u>1,030,889</u>
	<u><b>\$ 42,923,819</b></u>	<u><b>\$ 16,160,627</b></u>	<u><b>\$ 26,763,192</b></u>	<u><b>\$ 25,003,988</b></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**

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**18. RECONCILIATION OF INAC FUNDING AGREEMENT REVENUE**

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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	_____
INAC revenue as per consolidated statement of operations	<u>\$ 6,198,678</u>

**19. GOVERNMENT TRANSFERS**

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	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><u>\$ 4,550,201</u></u>	<u><u>\$ 3,541,159</u></u>	<u><u>\$ 8,091,360</u></u>	<u><u>\$ 4,244,892</u></u>	<u><u>\$ 526,736</u></u>	<u><u>\$ 4,771,628</u></u>

**20. RELATED PARTY TRANSACTIONS**

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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 it's 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**

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**21. ECONOMIC DEPENDENCE**

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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**

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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**

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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**

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**23. SEGMENT DISCLOSURE**, continued

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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**

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

**25. COMPARATIVE FIGURES**

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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

	GOVERNMENT DEVELOPMENT AND ADMINISTRATION										HEALTH SERVICES				HOUSING				LANDS AND RESOURCES				
	EDUCATION AND TRAINING					GOVERNMENT DEVELOPMENT AND ADMINISTRATION					Budget		2017		2016		Budget		2017		2016		
	Budget	2017	2016	(Note 25)	Budget	2017*	2016	(Note 25)	Budget	2017	(Note 25)	Budget	2017	2016	(Note 25)	Budget	2017	2016	(Note 25)	Budget	2017	2016	
<b>REVENUE</b>																							
Indigenous and Northern Affairs Canada	\$ 1,047,476	\$ 1,331,578	\$ 1,273,811	\$ 32,285	\$ 454,878	\$ 409,840	\$ 35,230	\$ 36,845	\$ 33,079	\$ 126,000	\$ -	\$ -	\$ -	\$ 35,707	\$ 203,941	\$ 84,568							
First Nations Health Authority	-	-	-	-	-	-	-	-	-	-	\$ 88,860	\$ 945,707	\$ 169,176	\$ 172,948	-	-	-	-	-	-	-	-	
Province of British Columbia	-	212,846	323,790	481,229	484,543	694,653	53,272	224,859	188,019	122,326	121,070	138,393	303,761	30,000	106,900	15,000							
BC Hydro	106,030	88,050	67,486	-	-	-	-	-	-	-	-	-	-	-	-	3,138,011	432,522						
Argentina Trading Post	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Interest and trust income	-	-	-	4,000	2,818	3,807	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Rent and other	315,649	342,648	280,699	342,300	534,908	307,602	145,000	140,721	101,589	222,500	50,386	76,401	305,000	211,802	431,293								
Osawa trust funds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Income from government business entities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Decrease (increase) in deferred revenue	-	-	-	-	-	-	(3,221)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
<b>TOTAL REVENUE</b>	<b>1,469,205</b>	<b>1,975,453</b>	<b>1,945,786</b>	<b>859,714</b>	<b>1,473,926</b>	<b>1,421,419</b>	<b>1,199,487</b>	<b>1,520,747</b>	<b>1,345,114</b>	<b>464,826</b>	<b>171,456</b>	<b>214,794</b>	<b>873,468</b>	<b>3,053,654</b>	<b>953,353</b>								
<b>EXPENDITURE</b>																							
Administration	84,998	85,498	124,812	-	-	-	-	-	-	22,240	22,758	3,679	1,200	-	-	-	-	-	-	100,000	136,823	4,005	
Authorization and interest	-	-	-	-	-	-	-	-	-	-	3,692	4,000	-	-	18,906	24,875	-	-	-	-	2,323	3,971	
Contract	-	224,669	156,627	36,000	48,785	42,345	75,703	122,361	10,000	34,856	50,825	-	-	2,742,451	2,989,110	150,793							
Capital purchases and debt repayment	2,450	7,647	31,421	-	-	-	-	-	-	9,596	27,061	-	-	54,786	51,096	114,500	36,559	53,586					
Human resources	18,899	1,075	7,055	36,000	6,051	-	-	-	-	2,766	1,480	221	-	-	-	-	-	-	4,500	5,232	2,995		
Professional fees	-	-	-	105,000	102,162	134,287	-	-	-	-	-	-	-	-	-	-	-	-	110,237	149,613	82,861		
Rent	-	6,000	6,275	-	-	1,589	10,575	6,000	-	-	1,099	-	-	-	-	-	-	-	24,000	10,695	25,555		
Repairs and maintenance	-	-	13,963	98,123	5,500	1762	2,500	464	644	32,500	11,169	30,382	-	-	25,000	12,149	14,743						
Supplies	32,336	64,367	30,109	30,800	45,719	37,141	52,079	83,008	71,831	104,644	46,019	79,661	38,137	37,985	68,731								
Telephone and utilities	180,175	109,423	61,124	47,860	69,854	70,854	16,823	24,111	24,311	5,409	6,445	4,592	600	879	180								
Travel and accommodations	66,559	55,778	352,860	312,510	346,609	263,955	501,698	383,198	33,000	1,559	4,663	37,500	28,858	364,385	346,910	495,442							
Wages and benefits	941,834	746,955	607,041	917,388	1,018,309	1,018,309	723,416	771,153	609,355	225,205	100,213	229,432	-	-	5,000	800	2,470						
Workshops and training	88,163	94,512	139,766	55,850	13,027	-	24,301	52,246	7,301	-	-	-	-	-	3,251	3,251	4,730						
Other	65,000	147,090	205,249	57,837	146,394	94,965	47,461	33,121	45,000	23,124	-	-	-	-	-	-	-	-	-	-	-	-	
Loss from government business entities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
<b>TOTAL EXPENDITURE</b>	<b>1,450,464</b>	<b>1,518,732</b>	<b>1,628,245</b>	<b>1,462,040</b>	<b>1,634,045</b>	<b>1,816,875</b>	<b>1,284,748</b>	<b>1,637,541</b>	<b>1,286,332</b>	<b>4,669,49</b>	<b>297,077</b>	<b>512,452</b>	<b>3,581,310</b>	<b>3,656,197</b>	<b>953,168</b>								
<b>EXCESS REVENUE OVER EXPENDITURE</b>																							
<b>(EXPENDITURE OVER REVENUE)</b>	<b>\$ (11,289)</b>	<b>\$ 456,420</b>	<b>\$ 317,541</b>	<b>\$ (602,326)</b>	<b>\$ (160,119)</b>	<b>\$ (95,456)</b>	<b>\$ (85,261)</b>	<b>\$ (106,794)</b>	<b>\$ 8,582</b>	<b>\$ 7,877</b>	<b>\$ (125,621)</b>	<b>\$ (297,658)</b>	<b>\$ (2,707,842)</b>	<b>\$ (2,543)</b>	<b>\$ 5,215</b>								

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

	2017										2016										2017	
	OPERATIONS AND MAINTENANCE					PUBLIC WORKS					SOCIAL AND COMMUNITY SERVICES					TREATY CLAIMS AND NEGOTIATIONS					TRUST FUNDS	
	Budget		2017			Budget		2016			Budget		2017			Budget		2016			Budget	
<b>REVENUE</b>																						
Indigenous and Northern Affairs Canada	\$ 974,144	\$ 974,107	\$ 979,434	\$ 979,434	\$ 979,434	\$ 979,434	\$ 979,434	\$ 979,434	\$ 979,434	\$ 979,434	\$ 979,434	\$ 979,434	\$ 979,434	\$ 979,434	\$ 979,434	\$ 979,434	\$ 979,434	\$ 979,434	\$ 979,434	\$ 979,434	\$ 979,434	
First Nations Health Authority	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Province of British Columbia	602,945	572,404	\$117,092	\$117,092	\$117,092	461,796	461,796	561,797	561,797	561,797	719,925	719,925	-	-	-	-	-	(130,632)	(842,743)	-	-	-
BC Hydro (withdrawals in excess of deposits)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Imperial Trading Post	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest and trust income	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rent and other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Ornawa trust funds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Income from government business entities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Decrease (increase) in deferred revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>TOTAL REVENUE</b>	<b>2,003,664</b>	<b>1,636,344</b>	<b>1,535,453</b>	<b>452,596</b>	<b>596,317</b>	<b>751,551</b>	<b>100,835</b>	<b>100,835</b>	<b>100,835</b>	<b>69,140</b>	<b>-</b>	<b>2,574,665</b>	<b>(80,231)</b>	<b>-</b>	<b>2,574,665</b>	<b>(80,231)</b>	<b>-</b>	<b>2,454,201</b>	<b>2,231,984</b>	<b>-</b>	<b>2,454,201</b>	<b>2,231,984</b>
<b>EXPENDITURE</b>																						
Administration	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Amortization and interest	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Contract	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital purchases and debt repayment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Honoraria	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Professional fees	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rent	2,000	725	52	3,000	2,483	6,659	15,360	19,600	19,600	19,600	19,600	19,600	19,600	19,600	19,600	19,600	19,600	19,600	19,600	17,755	9,500	
Repairs and maintenance	59,564	10,075	12,234	43,408	21,079	44	3114	650	650	650	700	700	700	700	700	700	700	700	700	2,859	279	-
Supplies	114,569	19,597	511,143	422,496	20,800	26,553	34,553	2,400	2,400	2,400	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	16,220	16,631	-
Telephone and utilities	321,825	68,600	59,865	65,077	29,700	38,809	23,059	27,853	18,118	30,958	-	-	-	-	-	-	-	-	-	17,540	16,042	-
Travel and accommodations	276,915	286,419	124,659	194,152	246,495	158,869	223,975	239,663	147,227	212,313	-	-	-	-	-	-	-	-	-	10,484	241,665	-
Wages and benefits	8,000	-	-	-	2,000	200	4,000	4,880	1,745	-	-	-	-	-	-	-	-	-	-	212,313	241,665	-
Workshops and training	10,000	39,130	63,820	88,200	106,314	69,218	240	332	1,064	-	158,114	120,622	-	-	-	-	-	-	-	1,745,956	1,716,018	-
Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Less from government business entities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>EXCESS REVENUE OVER EXPENDITURE</b>	<b>1,636,873</b>	<b>1,880,876</b>	<b>1,560,672</b>	<b>640,158</b>	<b>637,388</b>	<b>623,666</b>	<b>405,658</b>	<b>405,478</b>	<b>348,954</b>	<b>-</b>	<b>234,113</b>	<b>191,639</b>	<b>-</b>	<b>234,113</b>	<b>191,639</b>	<b>-</b>	<b>2,690,014</b>	<b>2,280,442</b>	<b>-</b>	<b>2,690,014</b>	<b>2,280,442</b>	
<b>(EXPENDITURE OVER REVENUE)</b>	<b>\$ 345,791</b>	<b>\$ (244,532)</b>	<b>\$ (24,179)</b>	<b>\$ (157,562)</b>	<b>\$ (41,071)</b>	<b>\$ 127,685</b>	<b>\$ (304,793)</b>	<b>\$ (304,643)</b>	<b>\$ (279,814)</b>	<b>\$ (304,643)</b>	<b>\$ (279,814)</b>	<b>\$ (1,000,920)</b>	<b>\$ (1,000,920)</b>	<b>\$ (1,000,920)</b>	<b>\$ (1,000,920)</b>	<b>\$ (1,000,920)</b>	<b>\$ (1,000,920)</b>	<b>\$ (1,000,920)</b>				

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

	TANGIBLE CAPITAL ASSETS						TOTAL BEFORE ADJUSTMENTS						CONSOLIDATION ADJUSTMENTS						CONSOLIDATED TOTALS	
	Budget	2017	2016	(Note 25)	Budget	2017	(Note 25)	Budget	2017	(Note 25)	Budget	(Note 25)	Budget	2017	(Note 25)	Budget	2017	(Note 25)		
<b>REVENUE</b>																				
Indigenous and Northern Affairs Canada	\$ 80,000	\$ 3,196,159	\$ 526,736	\$ 2,324,842	\$ 6,198,678	\$ 3,308,068	\$ 848,869	\$ 1,093,707	\$ 796,809	\$ 796,809	\$ 2,324,842	\$ 6,198,678	\$ 3,308,068	\$ 796,809	\$ 1,093,707	\$ 796,809	\$ 1,093,707	\$ 848,869		
First Nations Health Authority	-	150,000	-	-	300,011	693,975	-	-	-	-	-	-	-	-	-	-	-	-	300,011	693,975
Province of British Columbia	-	90,000	-	288,207	2,130,409	5,060,123	2,203,584	-	-	-	-	-	-	-	-	-	-	-	2,130,409	5,060,123
BC Hydro	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,988,515	2,203,584
Indigena Trading Post	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,039,439	2,203,584
Interest and trust income	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	4,000	2,438,953
Rent and other	100,000	161,015	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,077,724	1,685,750
Ottawa trust funds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,837	1,837
Income from government business entities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	463,938	180,629
Decrease (increase) in deferred revenue	-	(1,344,452)	69,127	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(1,347,673)	69,127
<b>TOTAL REVENUE</b>	<b>\$ 180,000</b>	<b>2,252,722</b>	<b>884,070</b>	<b>7,633,795</b>	<b>18,413,019</b>	<b>10,554,503</b>	<b>-</b>	<b>(135,216)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>7,633,795</b>	<b>18,277,803</b>	<b>10,554,503</b>
<b>EXPENDITURE</b>																				
Administration	-	-	796	232,438	376,330	257,662	-	-	-	-	-	-	(796)	-	-	-	-	-	322,438	376,330
Amortization and interest	155,000	1,503,050	764,707	4,154,401	5,930,820	2,457,585	(155,000)	(1,503,050)	(116,900)	(116,900)	(1,503,050)	(116,900)	(1,503,050)	(764,707)	(764,707)	(764,707)	(764,707)	3,999,401	1,267,344	
Contract	-	(52,416)	70,264	116,900	232,419	232,435	-	-	-	-	-	-	-	-	-	-	-	(278,455)	(278,455)	
Capital purchases and debt repayment	-	-	-	79,165	30,803	63,161	-	-	-	-	-	-	-	-	-	-	-	79,165	30,803	
Honoraria	1,500	-	-	-	50,337	280,004	238,798	(1,500)	-	-	-	-	-	-	-	-	-	234,837	280,004	
Professional fees	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	50,360	26,587	
Rent	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	128,664	53,186	
Repairs and maintenance	105,000	553,530	126,889	501,444	882,191	515,951	(105,000)	(553,520)	(105,000)	(105,000)	(553,520)	(105,000)	(553,520)	(126,889)	(126,889)	(126,889)	(126,889)	396,444	328,671	
Supplies	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	606,023	785,049	
Telephone and utilities	-	47,930	3,379	880,007	1,091,120	965,223	-	-	-	-	-	-	-	-	-	-	-	880,007	1,043,170	
Travel and accommodations	147,834	272,963	148,258	3,703,847	4,131,297	3,930,551	(147,834)	(272,963)	(147,834)	(147,834)	(272,963)	(147,834)	(147,834)	(272,963)	(272,963)	(272,963)	(272,963)	3,555,963	3,888,334	
Wages and benefits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	167,314	118,665	
Workshops and training	2,000	6,598	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	522,654	2,348,963	
Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,150,654	2,348,963	
Less from government business entities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	590,331	177,135	
<b>EXCESS REVENUE OVER EXPENDITURE (EXPENDITURE OVER REVENUE)</b>	<b>\$ 411,384</b>	<b>2,331,665</b>	<b>1,114,293</b>	<b>11,379,554</b>	<b>16,913,126</b>	<b>12,322,188</b>	<b>(528,284)</b>	<b>(1,566,550)</b>	<b>(160,367)</b>	<b>(160,367)</b>	<b>(160,367)</b>	<b>\$ 1,431,334</b>	<b>\$ 528,284</b>	<b>\$ 1,431,334</b>	<b>\$ 160,367</b>	<b>\$ 160,367</b>	<b>\$ (1,217,475)</b>	<b>\$ 2,931,227</b>	<b>\$ (1,607,318)</b>	

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

APPENDIX A

	Chu Cho Industries Limited B.C. Ltd.	Chu-Cho Enterprises Ltd.	Claw Mountain Limited L.P.	Iogenika Logging Ltd.	Three Feathers GP Ltd.	Tsay Keh Developments Limited Partnership	Tsay Keh Economic Development Corporation	Tsay Keh Enterprises Ltd.	Tsay Keh Holdings Ltd.	Tsay Keh Partnership (LLP)	Tsay Keh Nay	Total 2017	Total 2016	(Note 25)
<b>Assets</b>														
Financial Assets														
Tangible Capital Assets	\$ 103,5969	\$ 11,434	\$ 1,886,236	\$ 84,315	\$ 273	\$ 184,194	\$ 10,839	\$ 377	\$ 106,679	\$ 1,108	\$ 247,391	\$ 2,678,862		
Other Assets	\$ 155,700	\$ 8,224,455	\$ 75,536	\$ 562,460	\$ 273	\$ 216,387	\$ 13,413	\$ 25,415	\$ 538,644	\$ 31,984	\$ 881,458	\$ 6,372,228		
<b>Total Assets</b>	<b>\$ 156,700</b>	<b>\$ 10,160,227</b>	<b>\$ 656,269</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 646,555</b>	<b>\$ 662,408</b>	<b>\$ 166,251</b>	<b>\$ 12,757,707</b>	<b>\$ 11,030,112</b>	<b>1,979,022</b>
<b>Liabilities</b>														
Debt														
Contributed Surplus														
Equity (Deficit)														
<b>Total Liabilities and Equity</b>	<b>\$ 156,699</b>	<b>\$ 531,816</b>	<b>\$ 8,990,012</b>	<b>\$ 658,269</b>	<b>\$ 558,310</b>	<b>\$ 373</b>	<b>\$ 209,039</b>	<b>\$ 10,000</b>	<b>\$ 173</b>	<b>\$ 8,966</b>	<b>\$ (281,810)</b>	<b>\$ 139,280</b>	<b>\$ 54,305</b>	<b>(143,903)</b>
<b>Related Party Loans</b>	<b>\$ 156,699</b>	<b>\$ (531,836)</b>	<b>\$ 1,286,515</b>	<b>\$ -</b>	<b>\$ 558,310</b>	<b>\$ (100)</b>	<b>\$ -</b>	<b>\$ 14,252</b>	<b>\$ 25,619</b>	<b>\$ 637,887</b>	<b>\$ 974,113</b>	<b>\$ -</b>	<b>\$ 3,119,459</b>	<b>\$ 3,103,615</b>
Intercompany Loans														
Tsay Keh Dene Nation Advances														
Related Party Loans														
<b>Revenue</b>	<b>\$ -</b>	<b>\$ 15,245,436</b>	<b>\$ 98,178</b>	<b>\$ 375,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 72,314</b>	<b>\$ -</b>	<b>\$ 216,420</b>	<b>\$ 16,907,348</b>	<b>\$ 12,046,309</b>		
Expenses														
Amortization														
Interest														
Corporate Income Taxes														
Total Expenses														
<b>Net (Loss) Income</b>	<b>\$ -</b>	<b>\$ (555,022)</b>	<b>\$ (11,501)</b>	<b>\$ 375,000</b>	<b>\$ -</b>	<b>\$ (5) \$ (56,989)</b>	<b>\$ -</b>	<b>\$ (79)</b>	<b>\$ 26,886</b>	<b>\$ -</b>	<b>\$ 184,536</b>	<b>\$ (47,174)</b>	<b>\$ 311,988</b>	
<b>Tsay Keh Dene Nation Share</b>	<b>\$ -</b>	<b>\$ (564,965)</b>	<b>\$ (5,750)</b>	<b>\$ 375,000</b>	<b>\$ (2)</b>	<b>\$ (18,995)</b>	<b>\$ -</b>	<b>\$ (79)</b>	<b>\$ 26,886</b>	<b>\$ -</b>	<b>\$ 61,512</b>	<b>\$ (426,393)</b>	<b>\$ 3,494</b>	

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

APPENDIX B

ACCUMULATED AMORTIZATION							NET BOOK VALUE	
COST			Balance End of Year		Amortization		Balance End of Year	
Opening Balance	Additions	Disposals	Opening Balance		Disposals		2017	
\$ 601,815	\$ 192,529	\$ (178,319)	\$ 616,025	\$ 475,928	\$ 49,081	\$ (119,770)	\$ 405,239	\$ 210,786
7,321,901	1,011,339	(405,002)	7,928,238	2,308,741	205,392	(74,774)	2,439,559	5,488,879
Buildings	3,646	-	271,524	62,630	62,121	-	124,751	146,773
Computer equipment	4,000	-	797,884	555,066	47,946	-	603,012	194,872
Equipment	3,401	-	98,500	42,523	10,855	-	53,378	45,122
Furniture and office equipment	29,550	(14,175)	50,265	410,321	24,677	-	43,498	65,267
Heavy duty equipment	16,350,641	2,009,600	18,300,241	6,254,475	513,817	-	6,768,292	11,591,949
Housing	12,419,433	234,581	12,654,014	4,667,360	306,350	-	4,973,710	7,680,304
Infrastructure	768,546	9,875	(19,492)	353,944	21,315	(17,371)	357,888	401,041
Ingenika Trading Post	1,030,889	-	(92,690)	938,199	-	-	-	938,199
Land								
<b>\$ 49,134,976</b>	<b>\$ 3,498,521</b>	<b>\$ (709,678)</b>	<b>\$ 42,923,819</b>	<b>\$ 15,130,988</b>	<b>\$ 1,241,554</b>	<b>\$ (211,915)</b>	<b>\$ 16,160,627</b>	<b>\$ 26,763,192</b>
ACCUMULATED AMORTEZATION							NET BOOK VALUE	
Opening Balance	Additions	Disposals	Balance End of Year	Opening Balance	Amortization	Disposals	Balance End of Year	(Note 25)
\$ 565,625	\$ 36,190	\$ -	\$ 601,815	\$ 429,732	\$ 46,196	\$ -	\$ 475,928	\$ 125,887
6,029,204	392,697	-	7,321,901	2,115,474	193,267	-	2,308,741	5,013,160
372,60	230,618	-	267,878	24,085	38,545	-	62,630	205,248
640,072	163,812	(10,000)	793,884	520,476	38,09	(4,319)	555,066	258,818
74,921	20,178	-	95,099	31,901	10,622	-	42,523	52,576
449,880	35,000	-	484,880	385,862	24,459	-	410,321	74,569
15,671,571	679,070	-	16,350,641	5,746,751	507,724	-	6,234,475	10,096,166
12,255,984	163,449	-	12,419,433	4,351,224	316,136	-	4,667,360	7,752,073
752,187	16,559	-	768,546	331,507	22,437	-	353,944	414,602
592,690	438,199	-	1,030,889	-	-	-	-	1,030,889
<b>\$ 37,969,404</b>	<b>\$ 2,175,572</b>	<b>\$ (10,000)</b>	<b>\$ 40,134,976</b>	<b>\$ 13,937,012</b>	<b>\$ 1,198,295</b>	<b>\$ (4,319)</b>	<b>\$ 15,130,988</b>	<b>\$ 25,003,988</b>