

**NESKONLITH INDIAN BAND**  
**SUMMARY FINANCIAL STATEMENTS**

**March 31, 2017**

**EXHIBIT**

***SUMMARY FINANCIAL STATEMENTS:***

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### MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The financial statements of Neskonlith Indian Band have been prepared in accordance with Canadian public sector accounting standards. When alternative accounting methods exist, management has chosen those it deems most appropriate in the circumstances. These statements include certain amounts based on management's estimates and judgements. Management has determined such amounts based on a reasonable basis in order to ensure that the financial statements are presented fairly in all material respects.

The Band maintains systems of internal accounting and administrative controls of high quality, consistent with reasonable cost. Such systems are designed to provide reasonable assurance that the financial information is relevant, reliable and accurate and the Band's assets are appropriately accounted for and adequately safeguarded.

The Band Council is responsible for ensuring that management fulfils its responsibility for financial reporting and is ultimately responsible for reviewing and approving the financial statements. The Council carries out this responsibility periodically through its Finance Committee. The Finance Committee is appointed by the Council and meets weekly with management and periodically with the members' auditors to review significant accounting, reporting and internal control matters. Following its review of the financial statements and discussions with the auditors, the Finance Committee reports to Council prior to its approval of the financial statements. The Committee also considers, for review by the Council and approval by the members, the engagement or re-appointment of the external auditors.

The financial statements have been audited on behalf of the members by Daley & Company CPA LLP in accordance with Canadian generally accepted auditing standards.

Gordon Anthony  
Bobby Nater



#### INDEPENDENT AUDITORS' REPORT

To the Members,  
NESKONLITH INDIAN BAND

EXHIBIT A1

##### *Report on the Financial Statements*

We have audited the accompanying financial statements of NESKONLITH INDIAN BAND, which comprise the summary statement of financial position as at March 31, 2017, and the summary statement of accumulated surplus, summary statement of operations, summary statement of changes in net financial assets and summary statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

##### *Management's Responsibility for the Financial Statements*

Management is responsible for the preparation and fair presentation of these 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 financial statements that are free from material misstatements, whether due to fraud or error.

##### *Auditors' Responsibility*

Our responsibility is to express an opinion on these 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 financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the 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 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 financial statements present fairly, in all material respects, the financial position of NESKONLITH INDIAN BAND as at March 31, 2017 and the results of its operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

##### *Other Matters*

Our audit was conducted for the purpose of forming an opinion on the financial statements taken as a whole. The current year's supplementary information included in Exhibits B1 to B3, C1 to C2, D1 to D2 and schedules 1 to 36 are presented for the purposes of additional analysis and are not a required part of the financial statements. Such supplementary information has been subjected to the auditing procedures applied in the audit of the summary financial statements and, in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole.

*Daley & Company LLP*  
Chartered Professional Accountants

**NESKONLITH INDIAN BAND**  
**SUMMARY STATEMENT OF FINANCIAL POSITION**  
**March 31, 2017**

<b>FINANCIAL ASSETS</b>	<b>2017</b>	<b>2016</b>
Cash	\$ 872,676	\$ 355,782
Restricted cash (Note A3)	1,774,553	1,890,002
Grants and accounts receivable (Note A4)	384,803	470,941
Security deposit	-	3,372
Investments (Note A5)	<u>875,995</u>	<u>697,145</u>
	<u>3,908,027</u>	<u>3,417,242</u>
<b>LIABILITIES</b>		
Bank indebtedness (Note A7)	35,000	-
Accounts payable and accruals	823,864	924,463
Deferred revenue	19,449	-
Demand loans (Note A8)	546,845	463,365
Mortgages payable (Note A9)	<u>1,048,741</u>	<u>1,210,646</u>
	<u>2,473,899</u>	<u>2,598,474</u>
<b>NET FINANCIAL ASSETS</b>	<u>1,434,128</u>	<u>818,768</u>
<b>NON-FINANCIAL ASSETS</b>		
Prepaid expenses	51,257	20,402
Tangible capital assets (Note A10)	<u>2,082,798</u>	<u>2,506,204</u>
	<u>2,134,055</u>	<u>2,526,606</u>
<b>ACCUMULATED SURPLUS (Note A11)</b>	<u>\$ 3,568,183</u>	<u>\$ 3,345,374</u>

## COMMITMENTS AND CONTINGENCIES (Note A13)

APPROVED BY THE BAND:

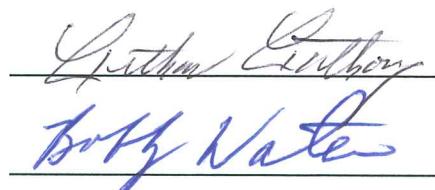


EXHIBIT A3

**NESKONLITH INDIAN BAND**  
**SUMMARY STATEMENT OF ACCUMULATED SURPLUS**  
**Year ended March 31, 2017**

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	<b>2017</b>	<b>2016</b>
ACCUMULATED SURPLUS, beginning of year	\$ 3,345,374	\$ 3,952,464
EXCESS (SHORTFALL) OF REVENUE OVER EXPENSES	<u>222,809</u>	<u>(607,090)</u>
ACCUMULATED SURPLUS, end of year	<b>\$ 3,568,183</b>	<b>\$ 3,345,374</b>

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See accompanying notes to financial statements.

**NESKONLITH INDIAN BAND**  
**SUMMARY STATEMENT OF OPERATIONS**  
**Year ended March 31, 2017**

	Budget	2017	2016
<b>REVENUE:</b>			
Indigenous and Northern Affairs Canada	\$ 2,466,228	<b>\$ 2,616,451</b>	\$ 2,580,278
First Nations Health Authority	475,296	<b>505,552</b>	446,682
First Nations Education Steering Committee	84,728	<b>175,334</b>	88,050
Province of British Columbia	75,365	<b>1,183,852</b>	1,082,367
Leases and rentals	338,131	<b>335,081</b>	342,869
Income - Ottawa Trust Funds	-	<b>159,743</b>	45,508
Canada Mortgage and Housing Corporation	76,187	<b>187,701</b>	86,799
Income from investment in government business enterprise	-	<b>608,273</b>	283,695
Interest and investment income	-	<b>205</b>	329
Other income	<u>2,796,977</u>	<u><b>1,593,272</b></u>	<u>653,379</u>
	<u><b>6,312,912</b></u>	<u><b>7,365,464</b></u>	<u><b>5,609,956</b></u>
<b>EXPENSES:</b>			
Administration	791,925	<b>1,205,067</b>	1,001,842
Community Welfare	511,176	<b>516,600</b>	487,772
Operations and Maintenance	485,437	<b>602,786</b>	529,053
Education	1,191,436	<b>1,365,199</b>	1,239,718
Economic Development	114,494	<b>147,687</b>	357,794
Health Services	597,101	<b>625,059</b>	484,451
Government - Tmicw	1,891,834	<b>1,972,218</b>	1,633,120
Capital	-	<b>95,520</b>	-
Social Housing	<u>301,618</u>	<u><b>612,519</b></u>	<u>483,296</u>
	<u><b>5,885,021</b></u>	<u><b>7,142,655</b></u>	<u>6,217,046</u>
<b>EXCESS (SHORTFALL) OF REVENUE OVER EXPENSES</b>	<b>\$ 427,891</b>	<b>\$ 222,809</b>	<b>\$ (607,090)</b>

**NESKONLITH INDIAN BAND**  
**SUMMARY STATEMENT OF CHANGE IN NET FINANCIAL ASSETS**  
**Year ended March 31, 2017**

	Budget	2017	2016
EXCESS (SHORTFALL) OF REVENUE OVER EXPENSES	\$ 427,891	<b>\$ 222,809</b>	\$ (607,090)
Acquisition of tangible capital assets	-	<b>(14,831)</b>	(101,609)
Amortization of tangible capital assets	-	<b>438,237</b>	430,966
Change in prepaid expenses	-	<b>(30,855)</b>	(1,074)
INCREASE (DECREASE) IN NET FINANCIAL ASSETS	427,891	<b>615,360</b>	(278,807)
NET FINANCIAL ASSETS, beginning of year	<u>818,768</u>	<u><b>818,768</b></u>	<u>1,097,575</u>
<b>NET FINANCIAL ASSETS, end of year</b>	<b>\$ 1,246,659</b>	<b>\$ 1,434,128</b>	<b>\$ 818,768</b>

**NESKONLITH INDIAN BAND**  
**SUMMARY STATEMENT OF CASH FLOWS**  
**Year ended March 31, 2017**

	<b>2017</b>	<b>2016</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Excess (shortfall) of revenue over expenses	\$ 222,809	\$ (607,090)
Non-operating item:		
Amortization	438,237	430,966
(Increase) decrease in:		
Grants and accounts receivable	86,138	(124,404)
Prepaid expenses	(30,855)	(1,074)
Security deposits	3,372	-
Increase (decrease) in:		
Accounts payable and accruals	(100,599)	(127,517)
Deferred revenue	19,449	-
Cash flows from (used in) operations	<u>638,551</u>	<u>(429,119)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Restricted cash	115,449	103,000
New borrowings	17,830	-
Repayment of demand loans and mortgages payable	(61,255)	(245,059)
Cash flows from (used in) financing	<u>72,024</u>	<u>(142,059)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Investments	(178,850)	251,456
Cash flows from (used in) investing	<u>(178,850)</u>	<u>251,456</u>
<b>CASH FLOWS FROM CAPITAL ACTIVITIES:</b>		
Purchase of tangible capital assets	(14,831)	(101,609)
Cash flows used in capital	<u>(14,831)</u>	<u>(101,609)</u>
<b>INCREASE (DECREASE) IN CASH</b>	<b>516,894</b>	<b>(421,331)</b>
<b>CASH, beginning of year</b>	<b>355,782</b>	<b>777,113</b>
<b>CASH, end of year</b>	<b>\$ 872,676</b>	<b>\$ 355,782</b>

**NESKONLITH INDIAN BAND**  
**NOTES TO SUMMARY FINANCIAL STATEMENTS**  
**March 31, 2017**

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**NOTE A1. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES:**

These summary financial statements have been prepared by management in accordance with Canadian public sector accounting standards. The significant accounting policies are summarized as follows:

**a) Fund Accounting:**

The Neskonlith Indian Band uses fund accounting procedures which result in a self-balancing set of accounts for each fund established by legal, contractual or voluntary actions. The various funds have been amalgamated for the purpose of presentation in the summary financial statements. Details of the operations of each fund are set out in the supplementary schedules. The Neskonlith Indian Band maintains the following funds:

- The Band Operating Fund which reports the general activities of the First Nation Administration.
- The Trust Fund which reports on trust funds owned by the First Nation and held by third parties.
- The Capital Fund which reports the property and equipment of the First Nation, together with their related financing.
- The Social Housing Fund Pre-1997 and Post-1996 which reports the social housing assets of the First Nation, together with related activities.

**b) Reporting Entity and Principles of Financial Reporting:**

The Neskonlith Indian Band reporting entity includes the Neskonlith Indian Band government and all related entities which are accountable to the First Nation and are either owned or controlled by the First Nation.

These financial statements consolidate the assets, liabilities and results of operations for the following entities which use accounting principles which lend themselves to consolidation:

- Neskonlith Indian Band Operating Fund
- Neskonlith Indian Band Trust Fund
- Neskonlith Indian Band Capital Fund
- Neskonlith Indian Band Social Housing Pre-1997 Fund
- Neskonlith Indian Band Social Housing Post-1996 Fund

All inter-entity balances have been eliminated on consolidation, but in order to present the results of operations for each specific fund, transactions amongst funds have not necessarily been eliminated on the individual schedules.

Incorporated business entities, which are owned or controlled by the Neskonlith Indian Band and which are not dependent on the First Nation for their continuing operations, are included in the summary financial statements using the modified equity method. This includes:

- Sk'atsin Resources Ltd.
- Sk'atsin Resources Limited Liability Partnership

Investments in government partnerships are included in the summary financial statements using the proportionate consolidation method. This includes:

- Séxqeltkemc Lakes Division

Investments in non-controlled entities and subject to significant influence are included in the summary financial statements using the modified equity method. These include:

- Sexqeltkemc Enterprises Inc.
- Sexqeltkemc Limited Partnership

Investments in non-controlled entities and not subject to significant influence are recorded at cost.

Notes that provide additional information regarding the entities are disclosed with each entity and form an integral part of these financial statements.

**NESKONLITH INDIAN BAND**  
**NOTES TO SUMMARY FINANCIAL STATEMENTS**  
**March 31, 2017**

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**NOTE A1. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES (continued):**

Non-financial Assets:

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year and are not intended for sale in the ordinary course of operations. The change in non-financial assets during the year, together with the excess of revenues over expenses, provides the Change in Net Financial Assets for the year.

a) Tangible Capital Assets:

Tangible capital assets are recorded at cost which includes all amounts that are directly attributable to acquisition, construction, development or betterment of the asset. The cost, less residual value, of the tangible capital assets are amortized on a straight-line basis over their estimated useful lives as follows:

Major Asset Category:

Buildings	7%
Automotive equipment	20%
Furniture and equipment	20%
Fencing	10%
Infrastructure	20%

Assets under construction are not amortized until the asset is available for productive use.

The Band reviews the useful lives and the carrying values of its tangible capital assets at least annually or more frequently if events or changes in circumstances indicate that the assets might be impaired, by reference to the assets' contribution to the Band's ability to provide services. When assets no longer have any long-term service potential to the Band, the assets are considered to be impaired. An impairment loss is measured at the amount by which the carrying amount of the assets exceeds their fair value, which is estimated as the expected service potential of the assets.

The Band's interest in reserve lands is not reflected in these financial statements, as no consideration was paid by the Band to acquire these lands.

b) Contributions of Tangible Capital Assets:

Tangible capital assets received as contributions are recorded at their fair value at the date of receipt.

c) Leases:

Leases are classified as capital or operating leases. Leases which transfer substantially all of the benefits and risks incidental to ownership of property are accounted for as capital leases. All other leases are accounted for as operating leases and the related lease payments are charged to expenses as incurred.

d) Investments:

Investments in non-controlled entities and not subject to significant influence are recorded at cost.

e) Accrual Method:

The Band utilizes accrual accounting.

f) Deferred Revenue:

Revenue is recorded in the period to which it relates.

**NESKONLITH INDIAN BAND**  
**NOTES TO SUMMARY FINANCIAL STATEMENTS**  
**March 31, 2017**

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**NOTE A1. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES (continued):**

**g) Revenue Recognition:**

The Neskonlith Indian Band derives revenues from a number of sources.

Amounts received from Indigenous and Northern Affairs Canada (INAC) are reported in accordance with the terms of the funding arrangement. Amounts specified as set contributions are reported as revenue as program terms and conditions are met and delivered. Any resulting surpluses are repayable to INAC and any deficits incurred are refundable by INAC. Amounts specified as fixed contributions are recognized as revenue as program terms and conditions are met and delivered. Any resulting surpluses may be retained by the Band provided delivery of the program is complete at March 31. Any resulting deficits are the responsibility of the Band. Amounts specified as flexible are reported as revenue as program terms and conditions are met and delivered and project expenditures have been made. Any unspent funds at the end of the project are repayable to INAC. Grants received from INAC are unconditional and are reported as revenue when received or receivable and collection is reasonably assured.

Amounts received from other government departments, both federal and provincial, are reported as revenue in accordance with the terms of the contract or agreement.

Own source revenues derived from such sources as housing rents, resource based revenues, interest income, and property taxes, etc. are reported when received or receivable and collection is reasonably assured.

**h) Replacement Reserve:**

The Replacement Reserve is funded by an annual charge against earnings as opposed to an appropriation of surplus.

**i) Operating Reserve:**

The Operating Reserve account is funded by an allocation of the excess or shortfall of annual minimum revenue contribution and CMHC subsidies over current eligible expenditures.

**j) Uses of Estimates:**

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 at the date of the financial statements and the reported amounts of revenues and expenses during the reporting periods. By their nature, these estimates are subject to measurement uncertainty and the effect on the financial statements of changes in such estimates in future periods could be significant.

**NOTE A2. FINANCIAL INSTRUMENTS:**

**Fair Value of Financial Assets and Financial Liabilities:**

The carrying values of cash (including internally and externally restricted amounts), grants and accounts receivable, bank indebtedness, accounts payable and accrued liabilities and demand loans approximate their fair value due to the relatively short periods to maturity of these items or because they are receivable or payable on demand.

The carrying value of mortgages payable approximates its fair value as the terms and conditions of the borrowing arrangements are comparable to current market terms and conditions for similar items.

It is not practicable to determine the fair value of investments due to the limited amount of comparable market information available.

**NESKONLITH INDIAN BAND**  
**NOTES TO SUMMARY FINANCIAL STATEMENTS**  
**March 31, 2017**

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**NOTE A2. FINANCIAL INSTRUMENTS (continued):**

Credit Risk:

The Band is exposed to a credit risk by its customers. However, because the majority of revenues is from government agencies, credit risk concentration is reduced to the minimum.

Interest Rate Risk:

Bank indebtedness and demand loans have both fixed and variable interest rates based on the bank's prime rate, therefore the interest expense will vary with changes in the bank's prime rate. Mortgages payable has fixed rates; therefore interest expense will decrease with principal repayment of the mortgage and interest risk is reduced to the minimum.

**NOTE A3. RESTRICTED CASH:**

	<b>2017</b>	<b>2016</b>
Replacement Reserve	\$ 298,021	\$ 474,921
Operating Reserve	144,917	144,917
Ottawa Trust Funds	1,150,114	990,371
Sexqeltkemc Lakes Division	181,501	279,793
	<hr/>	<hr/>
	<b>\$ 1,774,553</b>	<b>\$ 1,890,002</b>

a) Replacement Reserve:

Under the terms of the agreement with Canada Mortgage and Housing Corporation, the Replacement Reserve account is to be credited in the amount of \$38,741 (2016 - \$44,464) annually plus interest. These funds, along with accumulated interest, must be held in a separate bank account and / or invested only in accounts or instruments insured by the Canada Deposit Insurance Corporation or as may otherwise be approved by Canada Mortgage and Housing Corporation from time to time. Withdrawals are credited to interest first and then principal.

	<b>2017</b>	<b>2016</b>
Balance, beginning of year	<b>\$ 469,854</b>	<b>\$ 470,876</b>
Allocation during the year	38,741	44,464
Interest on account	205	329
Adjustment due to matured units	(64,731)	-
Approved expenditures	(61,407)	(45,815)
	<hr/>	<hr/>
Balance, end of year	<b>\$ 382,662</b>	<b>\$ 469,854</b>
The Replacement Reserve is represented by:		
Cash	<b>\$ 298,021</b>	<b>\$ 474,921</b>

b) Operating Reserve:

Under the terms of the agreement with Canada Mortgage and Housing Corporation, the Operating Reserve account is to be credited in the amount of any accumulated surplus plus interest. These funds, along with accumulated interest, must be held in a separate bank account and / or invested only in accounts or instruments insured by the Canada Deposit Insurance Corporation or as may otherwise be approved by Canada Mortgage and Housing Corporation from time to time.

	<b>2017</b>	<b>2016</b>
Balance, beginning of year	<b>\$ 140,118</b>	<b>\$ 144,917</b>
Allocation for the year	5,292	(4,799)
	<hr/>	<hr/>
Balance, end of year	<b>\$ 145,410</b>	<b>\$ 140,118</b>
The Operating Reserve is represented by:		
Cash	<b>\$ 144,917</b>	<b>\$ 144,917</b>

**NESKONLITH INDIAN BAND**  
**NOTES TO SUMMARY FINANCIAL STATEMENTS**  
**March 31, 2017**

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**NOTE A3. RESTRICTED CASH (continued):**

c) Ottawa Trust Funds:

The Ottawa Trust Accounts arise from monies derived from capital or revenue sources as outlined in Section 62 of the Indian Act. These funds are held in trust in the Consolidated Revenue 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.

d) Séxqeltkemc Lakes Division (Note A6)

Séxqeltkemc Lakes Division is a political body established to investigate rights and title issues, business opportunities and impact benefit agreements. The Division was formed by three Bands, Neskonlith Indian Band, Adams Lake Indian Band and Splatsin. The restricted cash represents cash held by this political body and is not within the control of the Band.

**NOTE A4. GRANTS AND ACCOUNTS RECEIVABLE:**

	2017	2016
Grants and Accounts Receivable	\$ 1,183,048	\$ 1,099,817
Less: Allowance for doubtful accounts	<u>798,245</u>	<u>628,876</u>
	<u><u>\$ 384,803</u></u>	<u><u>\$ 470,941</u></u>

**NOTE A5. INVESTMENTS:**

	2017	2016
All Nations Trust Company: 2,000 Class A shares, par value \$1	<u>\$ 4,000</u>	<u>\$ 4,000</u>
Secwepemc Economic Development Corporation: 1 Common share, par value \$1	<u>-</u>	<u>1</u>
Sk'atsin Resources Ltd.: 100 Class A common shares, par value \$1	<u>100</u>	<u>100</u>
Advances, unsecured, noninterest bearing, no stated terms of repayment	<u>41,889</u>	<u>41,889</u>
Accumulated deficit in loss	<u>(11,734)</u>	<u>-</u>
	<u><u>30,255</u></u>	<u><u>41,989</u></u>

Financial information for Sk'atsin Resources Ltd.:

	2017	2016
Assets	<u>\$ 30,255</u>	<u>\$ 24,437</u>
Liabilities	<u>(41,889)</u>	<u>(41,889)</u>
Equity	<u>\$ (11,634)</u>	<u>\$ (17,452)</u>
Revenue	<u>\$ 6,750</u>	<u>\$ 4,940</u>
Expenses	<u>932</u>	<u>559</u>
Net income	<u><u>\$ 5,818</u></u>	<u><u>\$ 4,381</u></u>

**NESKONLITH INDIAN BAND**  
**NOTES TO SUMMARY FINANCIAL STATEMENTS**  
**March 31, 2017**

NOTE A5. INVESTMENTS (continued):	2017	2016
Sk'atsin Resources Limited Liability Partnership:		
Capital account - 99% interest	990	990
Advances, unsecured, noninterest bearing, no stated terms of repayment	(1,177,205)	(775,347)
Accumulated equity in income	1,870,889	1,202,685
Loan receivable, repaid during the year	-	14,553
Loan receivable, repayable in monthly installments of \$1,466 including interest at 3.25% per annum, unsecured	133,785	146,796
	<u>828,459</u>	<u>589,677</u>

Financial information for Sk'atsin Resources Limited Liability Partnership:

	Total	Band's Share 2017	Band's Share 2016
Assets	\$ 1,092,651	\$ 1,081,724	\$ 763,374
Liabilities	<u>(367,720)</u>	<u>(364,043)</u>	<u>(327,821)</u>
Partner's Capital	<u>\$ 724,931</u>	<u>\$ 717,681</u>	<u>\$ 435,553</u>
Revenues	\$ 2,069,797	\$ 2,049,099	\$ 1,606,325
Expenses	<u>1,394,843</u>	<u>1,380,895</u>	<u>1,117,304</u>
Net Income	<u>\$ 674,954</u>	<u>\$ 668,204</u>	<u>\$ 489,021</u>

Sk'atsin Resources Limited Liability Partnership is domiciled in Canada and has a registered office at 740 Chief Neskonlith Drive, Chase, BC. The Partnership is engaged in resource and economic development opportunities. The Partnership is controlled by Neskonlith Indian Band (99%). Net income of the Partnership is allocated to the respective Partners annually. The Partnership was formed on March 19, 2014.

Sexqeltkemc Enterprises Inc. (33%):			
10 Common shares, par value \$1	<u>10</u>	<u>10</u>	
Sexqeltkemc Limited Partnership:			
Capital account - 33% interest	10	10	
Advances, unsecured, noninterest bearing, no stated terms of repayment	10,000	10,000	
Accumulated equity in income	<u>3,261</u>	<u>51,458</u>	
	<u>13,271</u>	<u>61,468</u>	
	<u>\$ 875,995</u>	<u>\$ 697,145</u>	

**NESKONLITH INDIAN BAND**  
**NOTES TO SUMMARY FINANCIAL STATEMENTS**  
**March 31, 2017**

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**NOTE A5. INVESTMENTS (continued):**

Financial information for Sexqeltkemc Limited Partnership:

	<b>Total</b>	<b>Band's Share 2017</b>	<b>Band's Share 2016</b>
Current Assets	\$ 1,316,104	\$ 438,659	\$ 356,809
Long-term Assets	47,186	15,727	49,134
Current Liabilities	<u>(1,323,477)</u>	<u>(441,115)</u>	<u>(344,476)</u>
 Partner's Capital	 <u>\$ 39,813</u>	 <u>\$ 13,271</u>	 <u>\$ 61,467</u>
 Revenues	 <u>\$ 5,004,514</u>	 <u>\$ 1,668,005</u>	 <u>\$ 1,249,000</u>
Expenses	5,149,118	1,716,202	1,457,933
 Net Loss	 <u>\$ (144,604)</u>	 <u>\$ (48,197)</u>	 <u>\$ (208,933)</u>

Sexqeltkemc Limited Partnership is domiciled near Chase, British Columbia. The Partnership is a business entity comprised of representative members from the Adams Lake, Neskonlith and Splatsin people. The Partnership's objective is to recognize, develop and secure business and employment opportunities within the traditional boundaries of the Sexqeltkemc te Secwepemc. Net earnings of the Partnership are allocated to the respective Partners annually.

**NOTE A6. PROPORTIONATELY CONSOLIDATED INTERESTS:** 2017 2016

The following is accounted for using the proportionate consolidation method:

**Séxqeltkemc Lakes Division**

Séxqeltkemc Lakes Division is a political body established to represent the Sexqeltkemc te Secwepemc and the Chiefs and Councils of the Neskonlith Indian Band, the Adams Lake Indian Band and Splatsin to investigate rights and title issues and business opportunities and impact benefit agreements.

Financial information for Séxqeltkemc Lakes Division:

	<b>Total</b>	<b>Band's Share 33%</b>	<b>Band's Share 33%</b>
Cash	\$ 544,503	\$ 181,501	\$ 279,793
Accounts receivable	-	-	21,005
Prepaid expenses	1,025	342	-
Equipment	2,027	676	1,868
Current Liabilities	<u>(66,842)</u>	<u>(22,281)</u>	<u>(20,798)</u>
 	 <u>\$ 480,713</u>	 <u>\$ 160,238</u>	 <u>\$ 281,868</u>
 Revenues	 <u>\$ 40,761</u>	 <u>\$ 13,587</u>	 <u>\$ 57,401</u>
Expenses	405,650	135,217	220,969
Net Loss	<u>\$ (364,889)</u>	<u>(121,630)</u>	<u>(163,568)</u>
 Expenses of Séxqeltkemc Lakes Division paid to Neskonlith Indian Band	 -	 78,525	
 Net loss included in summary financial statements	 <u>\$ (121,630)</u>	 <u>\$ (85,043)</u>	

**NESKONLITH INDIAN BAND**  
**NOTES TO SUMMARY FINANCIAL STATEMENTS**  
**March 31, 2017**

**NOTE A7. BANK INDEBTEDNESS:**

	<b>2017</b>	<b>2016</b>
Line of credit	<u>\$ 35,000</u>	<u>\$ -</u>

Under a line of credit with the Royal Bank of Canada, the Band may borrow up to \$200,000 on such terms as the Band and bank may mutually agree upon. The line of credit bears interest at the Bank's prime rate plus 1.25%. This arrangement does not have a termination date and can be withdrawn at the bank's option. At March 31, 2017, the unused portion of the credit line was \$165,000.

**NOTE A8. DEMAND LOANS:**

	<b>2017</b>	<b>2016</b>
<u>Operating Fund:</u>		
Royal Bank of Canada, demand loan, repayable in monthly installments of \$1,466 including interest at 3.25%, secured by a general security agreement, due December 2017	\$ 133,785	\$ 146,796
City of Salmon Arm, municipal service debt, repayable in monthly installments of \$1,191 including interest at 2.4%, unsecured, due December 2026	125,125	-
Community Futures Development Corporation, repaid during the year	-	5,158
Community Futures Development Corporation, repaid during the year	<u>-</u>	<u>9,394</u>
	<u>258,910</u>	<u>161,348</u>

Capital Fund:

Royal Bank of Canada, demand loan, repayable in monthly installments of \$2,308 including interest at 3.07%, secured by a general security agreement, due June 2017	234,900	255,010
Royal Bank of Canada, demand loan, repayable in monthly installments of \$264 including interest at 4.65%, secured by a general security agreement, due January 2020	18,825	21,063
Royal Bank of Canada, demand loan, repayable in monthly installments of \$595 including interest at 2.60%, secured by a general security agreement, due January 2020	19,407	25,944
Royal Bank of Canada, demand loan, repayable in monthly installments of \$330 including interest at 4%, secured by a general security agreement, due April 2017	<u>14,803</u>	<u>-</u>
	<u>287,935</u>	<u>302,017</u>
	<u><b>\$ 546,845</b></u>	<u><b>\$ 463,365</b></u>

Principal repayments due in the ensuing 5 years are approximately as follows:

2018	\$ 392,593
2019	24,612
2020	35,541
2021	16,141
2022	12,791

**NOTE A9. MORTGAGES PAYABLE:**

Social Housing Operation - Pre-1997 mortgages:

	<b>2017</b>	<b>2016</b>
All Nations Trust Company, repayable in monthly installments of \$1,985 including interest at 2.02% per annum, secured by buildings with a carrying value of \$133,521, due August 2018	\$ 33,239	\$ 56,140
All Nations Trust Company, repaid during the year	-	4,705

**NESKONLITH INDIAN BAND**  
**NOTES TO SUMMARY FINANCIAL STATEMENTS**  
**March 31, 2017**

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NOTE A9. MORTGAGES PAYABLE (continued):	2017	2016
<u><b>Social Housing Operation - Pre-1997 mortgages (continued):</b></u>		
All Nations Trust Company, repayable in monthly installments of \$2,139 including interest at 1.30% per annum, secured by buildings with a carrying value of \$243,659, due April 2022	<b>126,125</b>	149,726
All Nations Trust Company, repayable in monthly installments of \$2,566 including interest at 1.67% per annum, secured by buildings with a carrying value of 303,096, due June 2018	<b>182,665</b>	210,176
	<b>342,029</b>	<b>420,747</b>
<u><b>Social Housing Operation - Post-1996 mortgages:</b></u>		
All Nations Trust Company, repayable in monthly installments of \$2,386 including interest at 1.85% per annum, secured by buildings with a carrying value of \$234,196, due August 2019	<b>192,045</b>	216,892
All Nations Trust Company, repayable in monthly installments of \$2,578 including interest at 1.67% per annum, secured by buildings with a carrying value of \$347,301, due June 2018	<b>256,228</b>	282,675
All Nations Trust Company, repayable in monthly installments of \$3,074 including interest at 1.82% per annum, secured by buildings with a carrying value of \$352,538, due September 2019	<b>258,439</b>	290,332
	<b>706,712</b>	<b>789,899</b>
	<b>\$ 1,048,741</b>	<b>\$ 1,210,646</b>

The Social Housing mortgages are guaranteed by Indigenous and Northern Affairs Canada.

Principal repayments due in the ensuing 5 years are approximately as follows:

2018	\$ 160,053
2019	477,257
2020	358,702
2021	25,127
2022	25,456

NOTE A10. TANGIBLE CAPITAL ASSETS:	2017	2016
Tangible capital assets consist of the following:		
Buildings	\$ 227,602	\$ 135,952
Automotive equipment	56,642	87,821
Furniture and equipment	87,569	115,413
Fencing	50,785	63,924
Infrastructure	45,888	67,575
Social Housing	<b>1,614,312</b>	2,035,519
	<b>\$ 2,082,798</b>	<b>\$ 2,506,204</b>

For additional information, see the Summary Schedule of Tangible Capital assets (Appendix 1).

**NESKONLITH INDIAN BAND**  
**NOTES TO SUMMARY FINANCIAL STATEMENTS**  
**March 31, 2017**

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**NOTE A11. ACCUMULATED SURPLUS:**

	<b>2017</b>	<b>2016</b>
Accumulated surplus consists of individual fund surpluses and reserves as follows:		
Surplus from operations	<u>\$ 1,138,765</u>	\$ 746,379
Invested in investments	<u>5,110</u>	5,111
Invested in tangible capital assets	<u>746,122</u>	993,541
Funded Reserves:		
Operating Reserve Fund (CMHC) (Note A3)	145,410	140,118
Replacement Reserve Fund (CMHC) (Note A3)	382,662	469,854
Ottawa Trust Funds (Note A3)	<u>1,150,114</u>	990,371
	<u>1,678,186</u>	1,600,343
	<u><u>\$ 3,568,183</u></u>	<u><u>\$ 3,345,374</u></u>

**NOTE A12. FEDERAL ASSISTANCE PAYMENTS:**

The Neskonlith Indian Band Housing Project has received federal assistance through Canada Mortgage and Housing Corporation pursuant to Section 56-1 of the National Housing Act to reduce mortgage interest expense to 2% to enable the project to provide housing to low income individuals. The amount of assistance received through March 31, 2017 was \$75,127 (2016 - \$86,799). This assistance will continue, providing the Band is not in default of the agreement.

**NOTE A13. COMMITMENTS AND CONTINGENCIES:**

Commitments:

The Band leases office equipment under long-term lease agreements the longest of which expires September 2021.

Future minimum lease payments as at March 31, 2017, are as follows:

2018	\$ 20,700
2019	21,000
2020	18,550
2021	14,880
2022	<u>4,625</u>
	<u><u>\$ 79,755</u></u>

Contingencies:

a) Social Housing:

The Band is guarantor of various Housing loans, secured by Ministerial guarantees, including \$1,048,741 for Social Housing (Note A9) and \$23,724 for capital housing for a total of \$1,072,465.

b) Pension Plan:

The Band and its employees contribute to a defined contribution pension plan. There is no obligation for past service or periods in which an employee was not employed. Total contributions to the plan during the year were \$40,425 (2016 \$33,840).

c) Indigenous and Northern Affairs Canada:

The Band receives a portion of its funding under a contribution agreement with Indigenous and Northern Affairs Canada (INAC) which, if unexpended, may be refundable to INAC. Further, amounts which are overexpended may be reimbursed by INAC to the Band. No amounts have been recorded in the financial statements as refundable or reimbursable.

**NESKONLITH INDIAN BAND**  
**NOTES TO SUMMARY FINANCIAL STATEMENTS**  
**March 31, 2017**

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**NOTE A13. COMMITMENTS AND CONTINGENCIES (continued):**

d) **Guarantees:**

The Band has provided a guarantee for the bank indebtedness of Sk'atsin Resources Limited Liability Partnership. The Band holds 99% of the partnership units in Sk'atsin Resources Limited Liability Partnership. At March 31, 2017, the outstanding loan balances were \$Nil. The maximum liability to the Band with respect to these loans is \$85,000.

The Band has provided a guarantee for the bank indebtedness of Sexqeltkemc Limited Partnership. The Band holds 33% of the partnership units in Sexqeltkemc Limited Partnership. At March 31, 2017, the outstanding loan balances were \$185,000. The maximum liability to the Band with respect to these loans is \$300,000.

**NOTE A14. SEGMENTED INFORMATION:**

The Neskonlith Indian Band is a First Nations government institution that provides a range of programs and services to its members, including administration, community welfare, operations and maintenance, education, economic development, health services, Government - Tmicw, capital and social housing. For management reporting purposes the First Nations operations and activities are organized and reported by fund. Funds were created for the purpose of recording specific activities to attain certain objectives in accordance with special regulations, restrictions or limitations.

First Nation services are provided by departments and their activities are reported in these funds. Certain departments that have been separately disclosed in the segmented information, along with the services they provide, are as follows:

**Administration**

Administration relates to the operations of the Neskonlith Indian Band itself and cannot be directly attributed to a specific segment.

**Community Welfare**

Community Welfare provides services to help the Members by providing a variety of programs, community services and social assistance.

**Operations and Maintenance**

Operations and maintenance provides services relating to the development, maintenance and service of the Neskonlith Indian Band's assets, infrastructure and common property.

**Education**

Education provides educational services through the operations of an on reserve school, post secondary education support and the operations of various other educational programs. The goal of this segment is to enhance the educational opportunities of the Neskonlith Indian Band's Members.

**Economic Development**

Economic development provides for the development of economic opportunities to the Members.

**Health Services**

Health services provides for health-related services and programs to the Members.

**Government - Tmicw**

Government - Tmicw provides exploration of natural resources and development of natural resource revenues.

**Capital**

Capital provides for the development of new capital projects and infrastructure programs on the reserve.

**Social Housing**

Social housing provides for social housing to the Members.

The accounting policies used in these segments are consistent with those followed in the preparation of the summary financial statements as disclosed in Note A1. For additional information see the Statement of Financial Activities - Segmented (Appendix 2).

**NESKONLITH INDIAN BAND**  
**NOTES TO SUMMARY FINANCIAL STATEMENTS**  
**March 31, 2017**

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**NOTE A15. RELATED PARTY TRANSACTIONS:**

During the year, the Band received, \$617 (2016 - \$Nil) for reimbursable travel and \$Nil (2016 - \$1,000) for donations from Sexqeltkemc Limited Partnership, a significantly influenced partnership.

During the year, the Band earned \$36,290 (2016 - \$Nil) in contract services, \$726 (2016 - \$1,160) in miscellaneous office costs, \$4,751 (2016 - \$7,963) in interest and \$Nil (2016 - \$4,000) in donations from Sk'astin Resources Limited Liability Partnership. The Band paid \$533,141 (2016 - \$152,047) for contract services, and \$347,916 (2016 - \$281,693) for FCRSA to Sk'astin Resources Limited Liability Partnership. An amount payable of \$Nil (2016 - \$21,250) was due to Sk'astin Resources Limited Liability Partnership from Neskonlith Indian Band and is subject to normal trade terms. The Band holds 99% of the partnership units in Sk'astin Resources Limited Liability Partnership.

These transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

**NOTE A16. ECONOMIC DEPENDENCE:**

The Band receives revenues pursuant to a Funding Agreement with Indigenous and Northern Affairs Canada. In the current fiscal year, funding from Indigenous and Northern Affairs Canada accounted for 33% (2016 - 47%) of the Band's gross revenues.

**NOTE A17. CASH FLOW INFORMATION:**

During the year, the Band paid interest on demand loans and mortgages payable of \$35,353 (2016 - \$36,622) and received interest of \$20,126 (2016 - \$19,942).

**NOTE A18. COMPARATIVE FIGURES:**

Certain accounts in the prior year financial statements have been reclassified for comparative purposes to conform with the presentation in the current year financial statements.

**NESKONLITH INDIAN BAND**  
**SUMMARY SCHEDULE OF TANGIBLE CAPITAL ASSETS**  
**Year ended March 31, 2017**

	Buildings	Automotive Equipment	Furniture and Equipment	Fencing	Infrastructure	Social Housing	2017	2016
<b>Cost</b>								
Balance, beginning of year	\$ 2,363,523	\$ 372,082	\$ 832,555	\$ 131,392	\$ 5,807,503	\$ 4,538,341	\$ 14,045,396	\$ 13,943,787
Add: Additions during the year	-	-	14,831	-	-	-	14,831	101,609
Transfer during the year	524,116	-	-	-	-	(524,116)	-	-
Balance, end of year	<u>2,887,639</u>	<u>372,082</u>	<u>847,386</u>	<u>131,392</u>	<u>5,807,503</u>	<u>4,014,225</u>	<u>14,060,227</u>	<u>14,045,396</u>
<b>Accumulated amortization</b>								
Balance, beginning of year	2,227,571	284,261	717,142	67,468	5,739,928	2,502,822	11,539,192	11,108,226
Add: Amortization	70,815	31,179	42,675	13,139	21,687	258,742	438,237	430,966
Transfer during the year	361,651	-	-	-	-	(361,651)	-	-
Balance, end of year	<u>2,660,037</u>	<u>315,440</u>	<u>759,817</u>	<u>80,607</u>	<u>5,761,615</u>	<u>2,399,913</u>	<u>11,977,429</u>	<u>11,539,192</u>
<b>Net Book Value of Tangible Capital Assets</b>	<b><u>\$ 227,602</u></b>	<b><u>\$ 56,642</u></b>	<b><u>\$ 87,569</u></b>	<b><u>\$ 50,785</u></b>	<b><u>\$ 45,888</u></b>	<b><u>\$ 1,614,312</u></b>	<b><u>\$ 2,082,798</u></b>	<b><u>\$ 2,506,204</u></b>

See accompanying notes to financial statements.

**NESKONLITH INDIAN BAND**  
**STATEMENT OF FINANCIAL ACTIVITIES - SEGMENTED**  
**Year ended March 31, 2017**

	Administration	Community Welfare	Operations & maintenance	Education	Economic Development	Health Services	Government - Tmicw	Capital	Social Housing	Total 2017	Total 2016
<b>REVENUE:</b>											
Indigenous and Northern Affairs Canada	\$ 517,746	\$ 410,143	\$ 377,241	\$ 1,211,891	\$ 52,831	\$ 6,805	\$ -	\$ 39,794	\$ -	\$ 2,616,451	\$ 2,580,278
Leases and rentals	107,797	-	-	-	-	-	-	-	227,284	335,081	342,869
CMHC	-	-	-	-	-	-	-	-	187,701	187,701	86,799
Province of BC	42,887	-	-	9,928	-	35,503	1,095,534	-	-	1,183,852	1,082,367
Interest and tax penalties	159,743	-	-	-	-	-	-	-	205	159,948	45,837
First Nations Health Authority	-	-	-	-	-	467,652	-	37,900	-	505,552	446,682
Admin recoveries	203,166	-	-	-	-	-	116,699	-	-	319,865	279,196
Miscellaneous	98,193	1,109	135,975	204,865	50,623	36,641	1,511,016	-	18,592	2,057,014	745,928
	<b>1,129,532</b>	<b>411,252</b>	<b>513,216</b>	<b>1,426,684</b>	<b>103,454</b>	<b>546,601</b>	<b>2,723,249</b>	<b>77,694</b>	<b>433,782</b>	<b>7,365,464</b>	<b>5,609,956</b>
<b>EXPENSES:</b>											
Administration fees	19,274	6,493	39,846	45,363	5,494	50,726	117,890	1,449	29,285	<b>315,820</b>	283,039
Advertising	-	-	-	-	-	-	50	-	-	<b>50</b>	2,131
Amortization	179,495	-	-	-	-	-	-	-	258,742	<b>438,237</b>	430,967
Assistance	-	399,597	-	178,527	-	-	-	-	-	<b>578,124</b>	495,554
Community development	-	-	-	-	-	36,346	-	-	-	<b>36,346</b>	12,330
Contract services	21,540	24,074	114,631	3,485	21,902	16,810	905,591	94,071	-	<b>1,202,104</b>	873,785
Education	-	-	-	655,356	-	-	-	-	-	<b>655,356</b>	605,468
Gifts and donations	-	-	-	-	-	-	37,978	-	-	<b>37,978</b>	45,979
Honorarium	1,916	-	-	5,870	-	-	487,554	-	-	<b>495,340</b>	510,317
Insurance	26,863	-	12,392	3,589	-	7,379	1,312	-	36,114	<b>87,649</b>	91,899
Leases	33,759	-	-	6,433	-	6,610	5,657	-	-	<b>52,459</b>	54,300
Licences, dues and fees	1,608	-	144	-	-	-	900	-	-	<b>2,652</b>	3,581
Interest on demand loans and mortgages payable	9,601	-	-	-	-	645	5,588	-	19,519	<b>35,353</b>	36,622
Materials and supplies	66,839	2,615	21,755	33,365	859	53,321	21,194	-	-	<b>199,948</b>	206,956
Meetings	-	-	-	408	1,176	-	20,803	-	-	<b>22,387</b>	49,716
Office and other	193,950	-	41	17,179	-	1,908	59,756	-	87	<b>272,921</b>	243,964
Professional fees	36,677	-	-	-	10,707	-	60,116	-	6,940	<b>114,440</b>	104,704
Programs	11,930	-	87,439	42,164	-	58,226	-	-	-	<b>199,759</b>	143,893
Repairs and maintenance	16,435	-	50,376	10,097	-	7,053	8,567	-	261,832	<b>354,360</b>	204,133
Telephone	19,942	720	5,900	4,626	720	10,910	3,250	-	-	<b>46,068</b>	43,882
Training	4,450	-	2,696	35,874	105	31,921	6,224	-	-	<b>81,270</b>	62,119
Travel	15,631	5,062	11,546	29,153	6,386	44,537	32,100	-	-	<b>144,415</b>	117,146
Utilities	19,456	-	49,674	14,422	-	11,848	2,713	-	-	<b>98,113</b>	83,343
Wages and benefits	525,701	78,039	206,346	279,288	100,338	286,819	194,975	-	-	<b>1,671,506</b>	1,511,218
	<b>1,205,067</b>	<b>516,600</b>	<b>602,786</b>	<b>1,365,199</b>	<b>147,687</b>	<b>625,059</b>	<b>1,972,218</b>	<b>95,520</b>	<b>612,519</b>	<b>7,142,655</b>	<b>6,217,046</b>
<b>EXCESS (SHORTFALL) OF REVENUE OVER EXPENSES</b>	<b>\$ (75,535)</b>	<b>\$ (105,348)</b>	<b>\$ (89,570)</b>	<b>\$ 61,485</b>	<b>\$ (44,233)</b>	<b>\$ (78,458)</b>	<b>\$ 751,031</b>	<b>\$ (17,826)</b>	<b>\$ (178,737)</b>	<b>\$ 222,809</b>	<b>\$ (607,090)</b>

See accompanying notes to financial statements.

**NESKONLITH INDIAN BAND**  
**STATEMENT OF FINANCIAL ACTIVITIES - SEGMENTED**  
**Year ended March 31, 2016**

	Administration	Community Welfare	Operations & Maintenance	Education	Economic Development	Health Services	Government - Tmicw	Capital	Social Housing	Total 2016
<b>REVENUE:</b>										
Indigenous and Northern Affairs Canada	\$ 393,751	\$ 457,319	\$ 383,255	\$ 1,109,586	\$ 229,593	\$ 6,774	\$ -	\$ -	\$ -	\$ 2,580,278
Leases and rentals	86,453	-	-	-	-	-	-	-	256,416	342,869
CMHC	-	-	-	-	-	-	-	-	86,799	86,799
Province of BC	39,996	-	-	-	-	34,788	1,007,583	-	-	1,082,367
Interest and tax penalties	45,508	-	-	-	-	-	-	-	329	45,837
Health Canada	-	-	-	-	-	446,682	-	-	-	446,682
Admin recoveries	186,888	-	-	-	-	-	92,308	-	-	279,196
Miscellaneous	57,110	421	6,779	112,903	88,663	34,816	418,985	-	26,251	745,928
	<b>809,706</b>	<b>457,740</b>	<b>390,034</b>	<b>1,222,489</b>	<b>318,256</b>	<b>523,060</b>	<b>1,518,876</b>	<b>-</b>	<b>369,795</b>	<b>5,609,956</b>
<b>EXPENSES:</b>										
Administration fees	8,925	12,250	25,735	32,260	22,770	47,476	96,101	-	37,522	283,039
Advertising	-	-	-	-	-	-	2,131	-	-	2,131
Amortization	141,136	-	-	-	-	-	-	-	289,831	430,967
Assistance	-	360,577	-	134,977	-	-	-	-	-	495,554
Automotive	-	-	-	-	-	-	-	-	-	-
Community development	-	-	-	-	4,510	7,820	-	-	-	12,330
Contract services	32,769	-	58,648	550	128,829	24,667	628,322	-	-	873,785
Education	-	-	-	605,468	-	-	-	-	-	605,468
Gifts and donations	-	-	-	-	4,081	-	41,898	-	-	45,979
Honorarium	619	-	-	1,487	-	(150)	508,361	-	-	510,317
Insurance	22,609	474	14,211	5,182	-	3,807	1,442	-	44,174	91,899
Leases	39,510	-	-	4,356	-	4,975	5,459	-	-	54,300
Licences, dues and fees	2,156	-	-	-	-	449	976	-	-	3,581
Interest on demand loans and mortgages payable	9,986	-	-	144	-	-	3,720	-	22,772	36,622
Materials and supplies	42,388	-	28,976	32,842	7,487	59,732	35,531	-	-	206,956
Meetings	11	-	-	-	6,556	-	43,149	-	-	49,716
Office and other	139,398	-	317	25,421	-	1,763	77,012	-	53	243,964
Professional fees	48,977	-	-	-	9,758	-	39,271	-	6,698	104,704
Programs	14,813	-	74,337	13,640	1,008	40,095	-	-	-	143,893
Repairs and maintenance	13,367	-	76,896	25,965	-	1,218	4,441	-	82,246	204,133
Telephone	17,849	660	5,970	5,553	1,420	9,266	3,164	-	-	43,882
Training	1,388	-	-	3,422	15,379	14,692	27,238	-	-	62,119
Travel	7,953	3,015	10,444	22,044	12,250	37,903	23,537	-	-	117,146
Utilities	14,381	-	48,391	10,594	-	8,087	1,890	-	-	83,343
Wages and benefits	443,607	110,796	185,128	315,813	143,746	222,651	89,477	-	-	1,511,218
	<b>1,001,842</b>	<b>487,772</b>	<b>529,053</b>	<b>1,239,718</b>	<b>357,794</b>	<b>484,451</b>	<b>1,633,120</b>	<b>-</b>	<b>483,296</b>	<b>6,217,046</b>
EXCESS (SHORTFALL) OF REVENUE OVER EXPENSES	<b>\$ (192,136)</b>	<b>\$ (30,032)</b>	<b>\$ (139,019)</b>	<b>\$ (17,229)</b>	<b>\$ (39,538)</b>	<b>\$ 38,609</b>	<b>\$ (114,244)</b>	<b>\$ -</b>	<b>\$ (113,501)</b>	<b>\$ (607,090)</b>

See accompanying notes to financial statements.

**NESKONLITH INDIAN BAND**  
**SUPPLEMENTARY FINANCIAL INFORMATION**

**March 31, 2017**

**EXHIBIT**

***SUPPLEMENTARY FINANCIAL INFORMATION:***

J	INDEPENDENT AUDITORS' REPORT
J1	SCHEDULE OF REMUNERATION AND EXPENSES - CHIEF AND COUNCILLORS



## INDEPENDENT AUDITORS' REPORT

To the Members,  
NESKONLITH INDIAN BAND

EXHIBIT J

### *Report on Supplementary Schedules*

We have audited the summary financial statements of NESKONLITH INDIAN BAND, for the year ended March 31, 2017.

A statement of schedule of remuneration and expenses - chief and councillors, and schedule of remuneration and expenses - unelected senior officials are required to be presented to the membership of NESKONLITH INDIAN BAND pursuant to the funding agreement between Indigenous and Northern Affairs Canada and NESKONLITH INDIAN BAND. For the purposes of understanding our involvement with these schedules, please note that:

- We have audited and separately reported on the summary financial statements;
- Our audit was conducted for the purposes of forming an opinion on the summary financial statements taken as a whole;
- The attached schedules are presented for the purpose of forming an opinion for the membership and the Department of Indian Affairs and do not form part of the summary financial statements; and
- These schedules have been subjected to the auditing procedures applied to the audit of the summary financial statements taken as a whole.

### *Management's Responsibility for Supplementary Schedules*

Management is responsible for the preparation of these schedules in accordance with the criteria established by the funding agreement with Indigenous and Northern Affairs Canada.

### *Auditor's Responsibility*

Our responsibility is to express an opinion on the summary financial statements. The supplementary schedules have been subjected to the auditing procedures applied in the audit of the summary financial statements. However, no procedures have been carried out on these schedules in addition to those necessary to form an opinion on the summary financial statements.

### *Opinion*

In our opinion, the supplementary schedules derived from the summary financial statements of NESKONLITH INDIAN BAND are presented fairly, in all material respects, in accordance with the criteria established by the funding agreement with Indigenous and Northern Affairs Canada.

Chartered Professional Accountants