

NESKONLITH INDIAN BAND
SUMMARY FINANCIAL STATEMENTS
March 31, 2018

EXHIBIT

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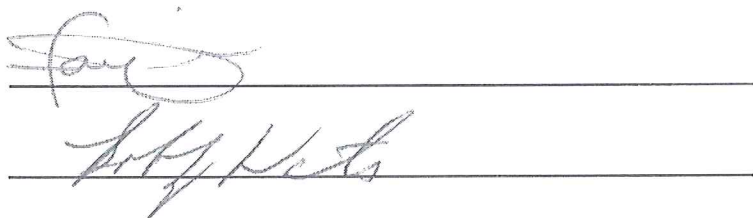
MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

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.



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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, 2018, 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, 2018 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 37 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.

Chartered Professional Accountants



Kamloops, BC
August 27, 2018

NESKONLITH INDIAN BAND
SUMMARY STATEMENT OF FINANCIAL POSITION
 March 31, 2018

FINANCIAL ASSETS	2018	2017
Cash	\$ 784,319	\$ 872,676
Restricted cash (Note A3)	1,921,619	1,774,553
Grants and accounts receivable (Note A4)	479,728	384,803
Investments (Note A5)	<u>1,285,992</u>	<u>875,995</u>
	<u>4,471,658</u>	<u>3,908,027</u>
LIABILITIES		
Bank indebtedness (Note A7)	-	35,000
Accounts payable and accruals	937,505	823,864
Deferred revenue	1,238	19,449
Demand loans (Note A8)	530,351	546,845
Mortgages payable (Note A9)	<u>888,651</u>	<u>1,048,741</u>
	<u>2,357,745</u>	<u>2,473,899</u>
NET FINANCIAL ASSETS	<u>2,113,913</u>	<u>1,434,128</u>
NON-FINANCIAL ASSETS		
Prepaid expenses	43,920	51,257
Tangible capital assets (Note A10)	<u>2,059,436</u>	<u>2,082,798</u>
	<u>2,103,356</u>	<u>2,134,055</u>
ACCUMULATED SURPLUS (Note A11)	<u>\$ 4,217,269</u>	<u>\$ 3,568,183</u>

COMMITMENTS AND CONTINGENCIES (Note A13)

APPROVED BY THE BAND:

See accompanying notes to financial statements.

NESKONLITH INDIAN BAND
SUMMARY STATEMENT OF ACCUMULATED SURPLUS
Year ended March 31, 2018

	2018	2017
ACCUMULATED SURPLUS, beginning of year	\$ 3,568,183	\$ 3,345,374
EXCESS OF REVENUE OVER EXPENSES	<u>649,086</u>	<u>222,809</u>
ACCUMULATED SURPLUS, end of year	<u>\$ 4,217,269</u>	<u>\$ 3,568,183</u>

See accompanying notes to financial statements.

NESKONLITH INDIAN BAND
SUMMARY STATEMENT OF OPERATIONS
Year ended March 31, 2018

	Budget	2018	2017
REVENUE:			
Indigenous and Northern Affairs Canada	\$ 2,364,027	\$ 2,939,668	\$ 2,616,451
First Nations Health Authority	469,266	624,782	467,652
First Nations Education Steering Committee	40,000	210,515	175,334
Province of British Columbia	414,365	1,230,495	1,183,852
Leases and rentals	336,247	336,427	335,081
Income - Ottawa Trust Funds	-	79,442	159,743
Canada Mortgage and Housing Corporation	74,065	96,418	187,701
Income from investment in government business enterprise	-	565,748	608,273
Interest and investment income	-	1,311	205
Other income	1,297,813	1,283,396	1,631,172
	<u>4,995,783</u>	<u>7,368,202</u>	<u>7,365,464</u>
EXPENSES:			
Administration	826,028	1,220,132	1,205,067
Community Welfare	465,547	628,401	516,600
Operations and Maintenance	498,323	685,661	602,786
Education	1,191,023	1,478,363	1,365,199
Economic Development	78,031	109,542	147,687
Health Services	548,321	591,321	623,290
Government - Tmicw	1,630,599	1,616,657	1,972,218
Capital	2,864	-	97,289
Social Housing	275,311	389,039	612,519
	<u>5,516,047</u>	<u>6,719,116</u>	<u>7,142,655</u>
EXCESS (SHORTFALL) OF REVENUE OVER EXPENSES	\$ (520,264)	\$ 649,086	\$ 222,809

See accompanying notes to financial statements.

NESKONLITH INDIAN BAND
SUMMARY STATEMENT OF CHANGE IN NET FINANCIAL ASSETS
Year ended March 31, 2018

	Budget	2018	2017
EXCESS (SHORTFALL) OF REVENUE OVER EXPENSES	\$ (520,264)	\$ 649,086	\$ 222,809
Acquisition of tangible capital assets	-	(409,676)	(14,831)
Amortization of tangible capital assets	-	433,038	438,237
Change in prepaid expenses	-	7,337	(30,855)
INCREASE (DECREASE) IN NET FINANCIAL ASSETS	(520,264)	679,785	615,360
NET FINANCIAL ASSETS, beginning of year	1,434,128	1,434,128	818,768
NET FINANCIAL ASSETS, end of year	\$ 913,864	\$ 2,113,913	\$ 1,434,128

See accompanying notes to financial statements.

NESKONLITH INDIAN BAND
SUMMARY STATEMENT OF CASH FLOWS
Year ended March 31, 2018

	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES:		
Excess of revenue over expenses	\$ 649,086	\$ 222,809
Non-operating item:		
Amortization	433,038	438,237
(Increase) decrease in:		
Grants and accounts receivable	(94,925)	86,138
Prepaid expenses	7,337	(30,855)
Security deposits	-	3,372
Increase (decrease) in:		
Accounts payable and accruals	113,641	(100,599)
Deferred revenue	(18,211)	19,449
Cash flows from operations	<u>1,089,966</u>	<u>638,551</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Restricted cash	(147,066)	115,449
New borrowings	42,600	17,830
Repayment of demand loans and mortgages payable	(254,184)	(61,255)
Cash flows from (used in) financing	<u>(358,650)</u>	<u>72,024</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Investments	(409,997)	(178,850)
Cash flows used in investing	<u>(409,997)</u>	<u>(178,850)</u>
CASH FLOWS FROM CAPITAL ACTIVITIES:		
Purchase of tangible capital assets	(409,676)	(14,831)
Cash flows used in capital	<u>(409,676)</u>	<u>(14,831)</u>
INCREASE (DECREASE) IN CASH	(88,357)	516,894
CASH, beginning of year	<u>872,676</u>	<u>355,782</u>
CASH, end of year	\$ 784,319	\$ 872,676

See accompanying notes to financial statements.

NESKONLITH INDIAN BAND
NOTES TO SUMMARY FINANCIAL STATEMENTS
March 31, 2018

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:

- Séxqeltkemoc 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:

- Sexqeltkemoc Enterprises Inc.
- Sexqeltkemoc 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, 2018

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, 2018

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

g) Revenue Recognition:

The Neskonalith 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, 2018

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:

	2018	2017
Replacement Reserve	\$ 407,674	\$ 298,021
Operating Reserve	146,227	144,917
Ottawa Trust Funds	1,229,556	1,150,114
Sexqeltkcmc Lakes Division	<u>138,162</u>	<u>181,501</u>
	<u><u>\$ 1,921,619</u></u>	<u><u>\$ 1,774,553</u></u>

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 \$38,221 (2017 - \$38,741) 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.

	2018	2017
Balance, beginning of year	<u>\$ 382,662</u>	<u>\$ 469,854</u>
Allocation during the year	38,221	38,741
Interest on account	494	205
Adjustment due to matured units	-	(64,731)
Approved expenditures	<u>(45,170)</u>	<u>(61,407)</u>
	<u>(6,455)</u>	<u>(87,192)</u>
Balance, end of year	<u><u>\$ 376,207</u></u>	<u><u>\$ 382,662</u></u>
The Replacement Reserve is represented by:		
Cash	<u><u>\$ 407,674</u></u>	<u><u>\$ 298,021</u></u>

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.

	2018	2017
Balance, beginning of year	\$ 145,410	\$ 140,118
Allocation for the year	<u>13,876</u>	<u>5,292</u>
Balance, end of year	<u><u>\$ 159,286</u></u>	<u><u>\$ 145,410</u></u>
The Operating Reserve is represented by:		
Cash	<u><u>\$ 146,227</u></u>	<u><u>\$ 144,917</u></u>

NESKONLITH INDIAN BAND
NOTES TO SUMMARY FINANCIAL STATEMENTS
March 31, 2018

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 Splatshin. 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:

	2018	2017
Grants and Accounts Receivable	\$ 1,283,107	\$ 1,183,048
Less: Allowance for doubtful accounts	<u>803,379</u>	<u>798,245</u>
	<u><u>\$ 479,728</u></u>	<u><u>\$ 384,803</u></u>

NOTE A5. INVESTMENTS:

	2018	2017
All Nations Trust Company: 2,000 Class A shares, par value \$1	<u>\$ 4,000</u>	<u>\$ 4,000</u>
Sk'atsin Resources Ltd.: 100 Class A common shares, par value \$1	100	100
Advances, unsecured, noninterest bearing, no stated terms of repayment	41,889	41,889
Accumulated deficit in loss	<u>(8,282)</u>	<u>(11,734)</u>
	<u><u>33,707</u></u>	<u><u>30,255</u></u>

Financial information for Sk'atsin Resources Ltd.:

	2018	2017
Assets	\$ 33,707	\$ 30,255
Liabilities	<u>(41,889)</u>	<u>(41,889)</u>
Equity	<u><u>\$ (8,182)</u></u>	<u><u>\$ (11,634)</u></u>
Revenue	\$ 6,329	\$ 6,750
Expenses	<u>2,878</u>	<u>932</u>
Net income	<u><u>\$ 3,451</u></u>	<u><u>\$ 5,818</u></u>

NESKONLITH INDIAN BAND
NOTES TO SUMMARY FINANCIAL STATEMENTS
March 31, 2018

NOTE A5. INVESTMENTS (continued):	2018	2017
Sk'atsin Resources Limited Liability Partnership:		
Capital account - 99% interest	990	990
Advances, unsecured, noninterest bearing, no stated terms of repayment	(1,323,147)	(1,177,205)
Accumulated equity in income	2,497,497	1,870,889
Loan receivable, repayable in monthly installments of \$1,534 including interest at 4.42% per annum, unsecured	120,524	133,785
	<u>1,295,864</u>	<u>828,459</u>

Financial information for Sk'atsin Resources Limited Liability Partnership:

	Total	Band's Share 2018	Band's Share 2017
Assets	\$ 1,480,347	\$ 1,465,544	\$ 1,081,724
Liabilities	(271,299)	(268,586)	(364,043)
Partner's Capital	<u>\$ 1,209,048</u>	<u>\$ 1,196,958</u>	<u>\$ 717,681</u>
Revenues	\$ 1,746,558	\$ 1,729,092	\$ 2,049,099
Expenses	<u>1,113,621</u>	<u>1,102,485</u>	<u>1,380,895</u>
Net Income	<u>\$ 632,937</u>	<u>\$ 626,607</u>	<u>\$ 668,204</u>

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

Sexqeltkenc Enterprises Inc. (33%):		
10 Common shares, par value \$1	<u>10</u>	<u>10</u>
Sexqeltkenc 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	(57,599)	3,261
	<u>(47,589)</u>	<u>13,271</u>
	<u>\$ 1,285,992</u>	<u>\$ 875,995</u>

NESKONLITH INDIAN BAND
NOTES TO SUMMARY FINANCIAL STATEMENTS
March 31, 2018

NOTE A5. INVESTMENTS (continued):

Financial information for Sexqeltkemoc Limited Partnership:

	Total	Band's Share 2018	Band's Share 2017
Current Assets	\$ 1,009,741	\$ 336,547	\$ 438,659
Long-term Assets	2,135	712	15,727
Current Liabilities	<u>(1,154,660)</u>	<u>(384,848)</u>	<u>(441,115)</u>
Partner's Capital	<u>\$ (142,784)</u>	<u>\$ (47,589)</u>	<u>\$ 13,271</u>
Revenues	\$ 885,420	\$ 295,110	\$ 1,668,005
Expenses	<u>1,068,017</u>	<u>355,970</u>	<u>1,716,202</u>
Net Loss	<u>\$ (182,597)</u>	<u>\$ (60,860)</u>	<u>\$ (48,197)</u>

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

NOTE A6. PROPORTIONATELY CONSOLIDATED INTERESTS:

2018

2017

The following is accounted for using the proportionate consolidation method:

Séxqeltkemoc Lakes Division

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

Financial information for Séxqeltkemoc Lakes Division:

	Total	Band's Share 33%	Band's Share 33%
Cash	\$ 414,487	\$ 138,161	\$ 181,501
Accounts receivable	286	95	-
Prepaid expenses	-	-	342
Equipment	-	-	676
Current Liabilities	<u>(414,773)</u>	<u>(138,256)</u>	<u>(22,281)</u>
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 160,238</u>
Revenues	\$ 124,309	\$ 41,436	\$ 13,587
Expenses	199,114	66,371	135,217
Net loss included in summary financial statements	<u>\$ (74,805)</u>	<u>\$ (24,935)</u>	<u>\$ (121,630)</u>

NESKONLITH INDIAN BAND
NOTES TO SUMMARY FINANCIAL STATEMENTS
March 31, 2018

NOTE A7. BANK INDEBTEDNESS:

	2018	2017
Line of credit	\$ -	\$ 35,000

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, 2018, the unused portion of the credit line was \$200,000.

NOTE A8. DEMAND LOANS:

	2018	2017
<u>Operating Fund:</u>		
Royal Bank of Canada, demand loan, repayable in monthly installments of \$1,534 including interest at 4.42%, secured by a general security agreement, due December 2022	\$ 120,524	\$ 133,785
City of Salmon Arm, municipal service debt, repayable in monthly installments of \$1,191 including interest at 2.4%, unsecured, due December 2026	113,699	125,125
	<u>234,223</u>	<u>258,910</u>

Capital Fund:

Royal Bank of Canada, demand loan, repayable in monthly installments of \$2,208 including interest at 2.23%, secured by a general security agreement, due June 2022	213,612	234,900
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	16,481	18,825
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	12,699	19,407
Royal Bank of Canada, demand loan, repayable in monthly installments of \$793 including interest at 4.45%, secured by a general security agreement, due January 2023	41,963	-
Royal Bank of Canada, demand loan, repayable in monthly installments of \$330 including interest at 4%, secured by a general security agreement, due April 2021	11,373	14,803
	<u>296,128</u>	<u>287,935</u>
	<u>\$ 530,351</u>	<u>\$ 546,845</u>

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

2019	67,755
2020	80,116
2021	62,223
2022	60,436
Thereafter	259,821

NOTE A9. MORTGAGES PAYABLE:

	2018	2017
<u>Social Housing Operation - Pre-1997 mortgages:</u>		
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 \$103,273, due August 2018	\$ 9,876	\$ 33,239

NESKONLITH INDIAN BAND
NOTES TO SUMMARY FINANCIAL STATEMENTS
March 31, 2018

NOTE A9. MORTGAGES PAYABLE (continued):

2018

2017

Social Housing Operation - Pre-1997 mortgages (continued):

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 \$204,922, due April 2022

102,009

126,125

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 \$258,545, due June 2018

154,700

182,665

266,585

342,029

Social Housing Operation - Post-1996 mortgages:

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 \$191,550, due August 2019

166,745

192,045

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 \$297,109, due June 2018

229,347

256,228

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 \$300,170, due September 2019

225,974

258,439

622,066

706,712

\$ 888,651

\$ 1,048,741

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

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

2019	\$ 350,958
2020	387,599
2021	54,518
2022	55,341
Thereafter	40,235

NOTE A10. TANGIBLE CAPITAL ASSETS:

2018

2017

Tangible capital assets consist of the following:

Buildings

\$ 488,305

\$ 227,602

Automotive equipment

77,447

56,642

Furniture and equipment

55,203

87,569

Fencing

49,739

50,785

Infrastructure

33,172

45,888

Social Housing

1,355,570

1,614,312

\$ 2,059,436

\$ 2,082,798

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

NESKONLITH INDIAN BAND
NOTES TO SUMMARY FINANCIAL STATEMENTS
March 31, 2018

NOTE A11. ACCUMULATED SURPLUS:

2018

2017

Accumulated surplus consists of individual fund surpluses and reserves as follows:

Surplus from operations	<u>\$ 1,572,453</u>	<u>\$ 1,138,765</u>
Invested in investments	<u>5,110</u>	<u>5,110</u>
Invested in tangible capital assets	<u>874,657</u>	<u>746,122</u>
Funded Reserves:		
Operating Reserve Fund (CMHC) (Note A3)	159,286	145,410
Replacement Reserve Fund (CMHC) (Note A3)	376,207	382,662
Ottawa Trust Funds (Note A3)	1,229,556	1,150,114
	<u>1,765,049</u>	<u>1,678,186</u>
	<u><u>\$ 4,217,269</u></u>	<u><u>\$ 3,568,183</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, 2018 was \$96,418 (2017 - \$75,127). 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, 2018, are as follows:

2019	21,000
2020	18,550
2021	14,550
2022	<u>4,625</u>
	<u><u>\$ 58,725</u></u>

Contingencies:

a) Social Housing:

The Band is guarantor of various Housing loans, secured by Ministerial guarantees, including \$888,652 for Social Housing (Note A9) and \$242,349 for capital housing for a total of \$1,131,001.

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 \$45,130 (2017 \$45,475).

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, 2018

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, 2018, 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 Sexqeltkemoc Limited Partnership. The Band holds 33% of the partnership units in Sexqeltkemoc Limited Partnership. At March 31, 2018, the outstanding loan balances were \$175,000. 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, 2018

NOTE A15. RELATED PARTY TRANSACTIONS:

During the year, the Band received, \$1,716 (2017 - \$617) for reimbursable travel and \$Nil (2017 - \$NIL) for donations from Sexqeltkcmc Limited Partnership, a significantly influenced partnership.

During the year, the Band earned \$2,234 (2017 - \$36,290) in contract services, \$751 (2017 - \$726) in miscellaneous office costs, \$4,477 (2017 - \$4,751) in interest and \$11,057 (2017 - \$Nil) in rent from Sk'astin Resources Limited Liability Partnership. The Band paid \$364,849 (2017 - \$533,141) for contract services, and \$344,000 (2017 - \$347,916) for FCRSA to Sk'atsin Resources Limited Liability Partnership. An amount received of \$2,234 was due from Sk'atsin Resources Limited Liability Partnership to the Band and is subject to normal trade terms. An amount payable of \$124,956 (2017 - \$Nil) was due to Sk'atsin Resources Limited Liability Partnership from the Band and is subject to normal trade terms. The Band holds 99% of the partnership units in Sk'atsin 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 40% (2017 - 33%) 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 \$31,381 (2017 - \$35,353) and received interest of \$27,433 (2017 - \$20,126).

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, 2018

	Buildings	Automotive Equipment	Furniture and Equipment	Fencing	Infrastructure	Social Housing	2018	2017
Cost								
Balance, beginning of year	\$ 2,887,639	\$ 372,082	\$ 847,386	\$ 131,392	\$ 5,807,503	\$ 4,014,225	\$ 14,060,227	\$ 14,045,396
Add: Additions during the year	334,575	47,325	5,079	12,730	9,967	-	409,676	14,831
Balance, end of year	3,222,214	419,407	852,465	144,122	5,817,470	4,014,225	14,469,903	14,060,227
Accumulated amortization								
Balance, beginning of year	2,660,037	315,440	759,817	80,607	5,761,615	2,399,913	11,977,429	11,539,192
Add: Amortization	73,872	26,520	37,445	13,776	22,683	258,742	433,038	438,237
					-			
Balance, end of year	2,733,909	341,960	797,262	94,383	5,784,298	2,658,655	12,410,467	11,977,429
Net Book Value of Tangible Capital Assets	\$ 488,305	\$ 77,447	\$ 55,203	\$ 49,739	\$ 33,172	\$ 1,355,570	\$ 2,059,436	\$ 2,082,798

Included in Buildings are tangible capital assets under construction of \$334,575 (2017 - \$Nil). These assets have not been amortized.

See accompanying notes to financial statements.

NESKONLITH INDIAN BAND
STATEMENT OF FINANCIAL ACTIVITIES - SEGMENTED
Year ended March 31, 2018

	Admini- stration	Community Welfare	Operations & maintenance	Education	Economic Development	Health Services	Government - Tmicw	Capital	Social Housing	Total 2018	Total 2017
REVENUE:											
Indigenous and Northern Affairs Canada	\$ 593,138	\$ 486,771	\$ 442,846	\$ 1,308,066	\$ 101,893	\$ 6,954	\$ -	\$ -	\$ -	\$ 2,939,668	\$ 2,616,451
Leases and rentals	116,079	-	-	-	-	-	-	-	220,348	336,427	335,081
CMHC	-	-	-	-	-	-	-	-	96,418	96,418	187,701
Province of BC	458,336	3,000	-	-	-	66,465	702,694	-	-	1,230,495	1,183,852
Interest and tax penalties	79,442	-	-	-	-	-	-	-	1,311	80,753	159,948
First Nations Health Authority	-	-	-	-	-	500,508	-	124,274	-	624,782	505,552
Admin recoveries	259,940	-	-	-	-	625	75,461	-	-	336,026	319,865
Miscellaneous	94,680	4,937	153,272	254,052	26,419	51,710	1,138,563	-	-	1,723,633	2,057,014
	<u>1,601,615</u>	<u>494,708</u>	<u>596,118</u>	<u>1,562,118</u>	<u>128,312</u>	<u>626,262</u>	<u>1,916,718</u>	<u>124,274</u>	<u>318,077</u>	<u>7,368,202</u>	<u>7,365,464</u>
EXPENSES:											
Administration fees	36,002	10,882	40,377	71,625	5,133	54,455	75,461	-	29,558	323,493	315,820
Advertising	-	-	-	-	-	-	-	-	-	-	50
Amortization	174,296	-	-	-	-	-	-	-	258,742	433,038	438,237
Assistance	-	466,335	-	182,113	-	-	-	-	-	648,448	578,124
Community development	-	-	-	-	-	25,361	-	-	-	25,361	36,346
Contract services (recovery)	155,067	16,060	175,770	21,723	(16,023)	18,022	582,422	-	-	953,041	1,202,104
Education	-	-	-	675,532	-	-	-	-	-	675,532	655,356
Gifts and donations	-	1,500	-	-	-	-	94,692	-	-	96,192	37,978
Honorarium	-	2,300	-	5,440	-	-	436,372	-	-	444,112	495,340
Insurance	20,542	-	11,949	2,908	-	5,193	1,668	-	19,065	61,325	87,649
Leases	11,851	-	-	4,433	-	6,741	5,657	-	-	28,682	52,459
Licences, dues and fees	1,272	-	133	-	-	-	1,215	-	-	2,620	2,652
Interest on demand loans and mortgages payable	6,916	-	-	-	-	521	7,521	-	16,423	31,381	35,353
Materials and supplies	82,042	16,899	17,916	55,109	5,630	37,831	28,266	-	-	243,693	199,948
Meetings	450	5,076	-	1,051	1,020	3,568	25,081	-	-	36,246	22,387
Office and other	70,911	-	3,896	28,953	-	2,343	13,362	-	41	119,506	272,921
Professional fees	42,950	-	-	-	-	-	60,446	-	6,500	109,896	114,440
Programs	14,137	-	80,596	26,419	-	71,249	46	-	-	192,447	199,759
Repairs and maintenance	86,487	-	102,401	28,900	-	9,730	10,307	-	58,710	296,535	354,360
Telephone	21,547	1,804	5,417	4,157	720	10,404	3,479	-	-	47,528	46,068
Training	1,393	3,386	2,001	29,429	103	17,386	9,697	-	-	63,395	81,270
Travel	20,668	7,834	8,584	28,754	9,447	63,776	22,436	-	-	161,499	144,415
Utilities	15,489	-	46,839	12,957	-	11,989	4,652	-	-	91,926	98,113
Wages and benefits	458,112	96,325	189,782	298,860	103,512	252,752	233,877	-	-	1,633,220	1,671,506
	<u>1,220,132</u>	<u>628,401</u>	<u>685,661</u>	<u>1,478,363</u>	<u>109,542</u>	<u>591,321</u>	<u>1,616,657</u>	<u>-</u>	<u>389,039</u>	<u>6,719,116</u>	<u>7,142,655</u>
EXCESS (SHORTFALL) OF											
REVENUE OVER EXPENSES	<u>\$ 381,483</u>	<u>\$ (133,693)</u>	<u>\$ (89,543)</u>	<u>\$ 83,755</u>	<u>\$ 18,770</u>	<u>\$ 34,941</u>	<u>\$ 300,061</u>	<u>\$ 124,274</u>	<u>\$ (70,962)</u>	<u>\$ 649,086</u>	<u>\$ 222,809</u>

See accompanying notes to financial statements.

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

	Admini- stration	Community Welfare	Operations & Maintenance	Education	Economic Development	Health Services	Government - Tmicw	Capital	Social Housing	Total 2017
REVENUE:										
Indigenous and Northern Affairs Canada	\$ 517,746	\$ 410,143	\$ 377,241	\$ 1,211,891	\$ 52,831	\$ 6,805	\$ -	\$ 39,794	\$ -	\$ 2,616,451
Leases and rentals	107,797	-	-	-	-	-	-	-	227,284	335,081
CMHC	-	-	-	-	-	-	-	-	187,701	187,701
Province of BC	42,887	-	-	9,928	-	35,503	1,095,534	-	-	1,183,852
Interest and tax penalties	159,743	-	-	-	-	-	-	-	205	159,948
Health Canada	-	-	-	-	-	467,652	-	37,900	-	505,552
Admin recoveries	203,166	-	-	-	-	-	116,699	-	-	319,865
Miscellaneous	98,193	1,109	135,975	204,865	50,623	36,641	1,511,016	-	18,592	2,057,014
	<u>1,129,532</u>	<u>411,252</u>	<u>513,216</u>	<u>1,426,684</u>	<u>103,454</u>	<u>546,601</u>	<u>2,723,249</u>	<u>77,694</u>	<u>433,782</u>	<u>7,365,464</u>
EXPENSES:										
Administration fees	19,274	6,493	39,846	45,363	5,494	48,957	117,890	3,218	29,285	315,820
Advertising	-	-	-	-	-	-	50	-	-	50
Amortization	179,495	-	-	-	-	-	-	-	258,742	438,237
Assistance	-	399,597	-	178,527	-	-	-	-	-	578,124
Community development	-	-	-	-	-	36,346	-	-	-	36,346
Contract services	21,540	24,074	114,631	3,485	21,902	16,810	905,591	94,071	-	1,202,104
Education	-	-	-	655,356	-	-	-	-	-	655,356
Gifts and donations	-	-	-	-	-	-	37,978	-	-	37,978
Honorarium	1,916	-	-	5,870	-	-	487,554	-	-	495,340
Insurance	26,863	-	12,392	3,589	-	7,379	1,312	-	36,114	87,649
Leases	33,759	-	-	6,433	-	6,610	5,657	-	-	52,459
Licences, dues and fees	1,608	-	144	-	-	-	900	-	-	2,652
Interest on demand loans and mortgages payable	9,601	-	-	-	-	645	5,588	-	19,519	35,353
Materials and supplies	66,839	2,615	21,755	33,365	859	53,321	21,194	-	-	199,948
Meetings	-	-	-	408	1,176	-	20,803	-	-	22,387
Office and other	193,950	-	41	17,179	-	1,908	59,756	-	87	272,921
Professional fees	36,677	-	-	-	10,707	-	60,116	-	6,940	114,440
Programs	11,930	-	87,439	42,164	-	58,226	-	-	-	199,759
Repairs and maintenance	16,435	-	50,376	10,097	-	7,053	8,567	-	261,832	354,360
Telephone	19,942	720	5,900	4,626	720	10,910	3,250	-	-	46,068
Training	4,450	-	2,696	35,874	105	31,921	6,224	-	-	81,270
Travel	15,631	5,062	11,546	29,153	6,386	44,537	32,100	-	-	144,415
Utilities	19,456	-	49,674	14,422	-	11,848	2,713	-	-	98,113
Wages and benefits	525,701	78,039	206,346	279,288	100,338	286,819	194,975	-	-	1,671,506
	<u>1,205,067</u>	<u>516,600</u>	<u>602,786</u>	<u>1,365,199</u>	<u>147,687</u>	<u>623,290</u>	<u>1,972,218</u>	<u>97,289</u>	<u>612,519</u>	<u>7,142,655</u>
EXCESS (SHORTFALL) OF REVENUE OVER EXPENSES	<u>\$ (75,535)</u>	<u>\$ (105,348)</u>	<u>\$ (89,570)</u>	<u>\$ 61,485</u>	<u>\$ (44,233)</u>	<u>\$ (76,689)</u>	<u>\$ 751,031</u>	<u>\$ (19,595)</u>	<u>\$ (178,737)</u>	<u>\$ 222,809</u>

See accompanying notes to financial statements.

NESKONLITH INDIAN BAND
SUPPLEMENTARY FINANCIAL INFORMATION

March 31, 2018

EXHIBIT

SUPPLEMENTARY FINANCIAL INFORMATION:

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



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Shawn Birkenhead, CPA, CA
Kevin Cooper, CPA, CA
Incorporated Professionals

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, 2018.

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.

Daley & Company LLP

Chartered Professional Accountants

Kamloops, BC
August 27, 2018

NESKONLITH INDIAN BAND
SCHEDULE OF REMUNERATION AND EXPENSES
CHIEF AND COUNCILLORS
For the year ended March 31, 2018

Name of Individual	Position Title	Number of Months	Remuneration	Expenses	Reimbursements from Others
JUDY WILSON	CHIEF	12	\$ 56,400	\$ 57,454	\$ 63,076
DUANE MANUEL	COUNCILLOR	12	50,400	10,278	6,256
ARTHUR ANTHONY	COUNCILLOR	12	50,400	12,727	7,992
JOAN MANUEL-HOOPER	COUNCILLOR	12	50,400	23,683	10,046
FAY GINTHER	COUNCILLOR	12	50,400	10,534	5,013
LOUIS THOMAS	COUNCILLOR	12	50,400	4,214	169
			\$ 308,400	\$ 118,890	\$ 92,552

Note:

Council travel is representative of the various National, Provincial, Regional, and local political tables.