

**?ESDILAGH FIRST NATION  
CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2017**

**?ESDILAGH FIRST NATION  
CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2017**

---

	<u>INDEX</u>	<u>PAGE</u>
Management's Responsibility for the Consolidated Financial Statements		3
Independent Auditor's Report		4
Consolidated Statement of Financial Position		5
Consolidated Statement of Operations		6
Consolidated Statement of Changes in Net Financial Assets		7
Consolidated Statement of Cash Flows		8
Notes to the Consolidated Financial Statements		9 - 18
Segment Disclosure		19 - 21
Appendix A - Government Business Enterprise - Condensed Financial Information		22
Appendix B - Tangible Capital Assets		23



# ? ESDILAGH FIRST NATION

# 4-423 Elliott Street, Quesnel B.C.V2J 1Y6  
Phone: (250) 991-6000 Fax: (250) 991-0589

## MANAGEMENT'S RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The accompanying consolidated financial statements of ?Esdilagh First Nation are the responsibility of management and have been approved by the Chief and Council.

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

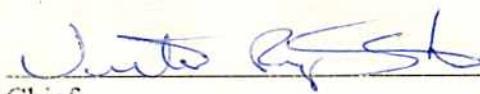
Management is responsible for the integrity and objectivity of these statements and for implementing and maintaining a system of internal control to provide reasonable assurance that reliable financial information is produced.

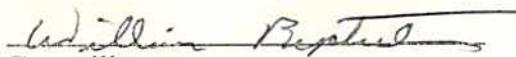
The Chief and Council are responsible for ensuring that management fulfils its responsibilities for financial reporting and internal control and are ultimately responsible for reviewing and approving the consolidated financial statements.

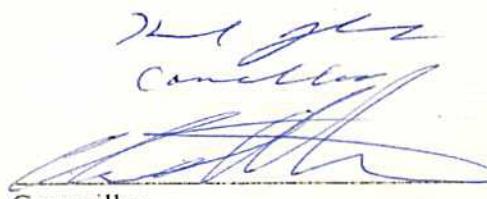
The Chief and Council meet periodically with management, as well as the external auditors, to discuss internal controls over the financial reporting process, auditing matters and financial reporting issues, to satisfy themselves that each party is properly discharging their responsibilities, and to review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

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

On behalf of ?Esdilagh First Nation:

  
Chief

  
Councillor

  
Councillor

## **INDEPENDENT AUDITOR'S REPORT**

To the Members of ?Esdilagh First Nation:

We have audited the accompanying consolidated financial statements of ?Esdilagh First Nation, which comprise the consolidated statement of financial position as at March 31, 2017 and the consolidated statements of operations, changes in net financial assets, and cash flows for the year then ended and a summary of significant accounting policies and other explanatory information.

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

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risk of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

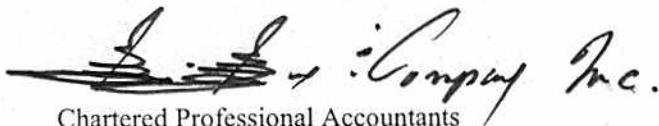
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Basis for Qualified Opinion**

The accompanying financial statements do not include an approved budget as one was not prepared by the Nation's administration. The Canadian public sector accounting standards require that an approved budget be presented to allow users of the financial statements to compare actual results with those planned in the budget.

### **Qualified Opinion**

In our opinion, except for the omission of budget figures as disclosed in the basis for qualified opinion paragraph, the consolidated financial statements present fairly, in all material respects, the financial position of ?Esdilagh First Nation as at March 31, 2017 and the results of its operations, changes in its net financial assets and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

  
Chartered Professional Accountants

January 25, 2019  
Prince George, British Columbia

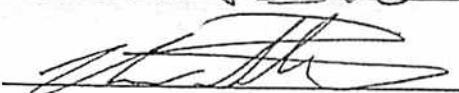
**?ESDILAGH FIRST NATION**  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT MARCH 31, 2017**

	(Note 15 & 16)	
	2017	2016
<b>FINANCIAL ASSETS</b>		
Cash	\$ 1,282,734	\$ 870,521
Accounts receivable (Note 2)	51,197	137,739
Investment in government business entity (Note 3)	8,371	14,592
Ottawa trust funds (Note 4)	<u>196,992</u>	<u>192,839</u>
	<u>1,539,294</u>	<u>1,215,691</u>
<b>LIABILITIES</b>		
Accounts payable and accrued liabilities (Note 5)	289,963	526,927
Deferred revenue (Note 6)	710,076	-
Long-term debt (Note 7)	<u>24,375</u>	<u>59,429</u>
	<u>1,024,414</u>	<u>586,356</u>
<b>NET FINANCIAL ASSETS</b>	<u>514,880</u>	<u>629,335</u>
<b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets (Note 8)	2,853,483	2,042,935
Prepaid expenditure	<u>23,271</u>	<u>13,629</u>
	<u>2,876,754</u>	<u>2,056,564</u>
<b>ACCUMULATED SURPLUS</b>	<u>\$ 3,391,634</u>	<u>\$ 2,685,899</u>
<b>CONTINGENT LIABILITIES (Note 9)</b>		

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

Approved on behalf of ?Esdilagh First Nation:

 Chief

 Councillor

 Councillor

 Councillor

**?ESDILAGH FIRST NATION  
CONSOLIDATED STATEMENT OF OPERATIONS  
FOR THE YEAR ENDED MARCH 31, 2017**

	2017	2016	(Note 15 & 16)
<b>REVENUE</b>			
Indigenous and Northern Affairs Canada	\$ 911,557	\$ 807,187	
First Nations Health Authority	1,076,468	621,659	
Canada Mortgage and Housing Corporation	46,583	-	
Province of British Columbia	65,719	56,822	
Cariboo Chilcotin Aboriginal Training Employment Centre	13,564	11,279	
Tsilhqot'in National Government	559,346	410,279	
Interest, rent and other	148,572	47,501	
Own source	221,575	96,948	
Administration fees	8,916	15,826	
Ottawa trust funds	4,153	4,335	
(Increase) decrease in deferred revenue	<u>(710,076)</u>	-	
	<u>2,346,377</u>	2,071,836	
<b>EXPENDITURE</b>			
Economic development	388,970	341,456	
Education	97,328	75,985	
Government development and administration	443,742	315,781	
Health services	285,588	226,333	
Housing	1,953	-	
Public works operations and maintenance	104,193	45,670	
Social and community services	172,985	101,092	
Interest	2,592	2,632	
Amortization	108,982	82,139	
Loss on disposal of tangible capital assets	<u>4,162</u>	-	
	<u>1,610,495</u>	1,191,088	
<b>ANNUAL SURPLUS BEFORE (RECOVERIES) REIMBURSEMENTS</b>	<b>735,882</b>	<b>880,748</b>	
<b>(RECOVERIES) REIMBURSEMENTS BY GOVERNMENT OF CANADA</b>	<b><u>(30,147)</u></b>	<b>-</b>	
<b>ANNUAL SURPLUS</b>	<b>705,735</b>	<b>880,748</b>	
<b>ACCUMULATED SURPLUS, BEGINNING OF YEAR</b>	<b><u>2,685,899</u></b>	<b>1,805,151</b>	
<b>ACCUMULATED SURPLUS, END OF YEAR</b>	<b><u>\$ 3,391,634</u></b>	<b>\$ 2,685,899</b>	

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

**?ESDILAGH FIRST NATION**  
**CONSOLIDATED STATEMENT OF CHANGES IN NET FINANCIAL ASSETS**  
**FOR THE YEAR ENDED MARCH 31, 2017**

	(Note 15 & 16)	
	2017	2016
Annual surplus	<u>\$ 705,735</u>	<u>\$ 880,748</u>
Acquisition of tangible capital assets	(924,052)	(905,184)
Amortization	108,982	82,139
Proceeds on disposal of tangible capital assets	360	-
Loss on disposal of tangible capital assets	4,162	-
	<u>(810,548)</u>	<u>(823,045)</u>
(Acquisition) use of prepaid expenditure	<u>(9,642)</u>	<u>5,316</u>
<b>(DECREASE) INCREASE IN NET FINANCIAL ASSETS</b>	<b>(114,455)</b>	<b>63,019</b>
<b>NET FINANCIAL ASSETS, BEGINNING OF YEAR</b>	<b><u>629,335</u></b>	<b><u>566,316</u></b>
<b>NET FINANCIAL ASSETS, END OF YEAR</b>	<b><u>\$ 514,880</u></b>	<b><u>\$ 629,335</u></b>

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

**?ESDILAGH FIRST NATION  
CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED MARCH 31, 2017**

	(Note 15 & 16)	
	2017	2016
<b>OPERATING TRANSACTIONS</b>		
Annual surplus	\$ 705,735	\$ 880,748
Items not involving cash		
Amortization	108,982	82,139
Loss on disposal of tangible capital assets	4,162	-
Ottawa trust funds	<u>(4,153)</u>	<u>(4,335)</u>
	814,726	958,552
Cash (used in) provided by operating activities		
Accounts receivable	86,542	(117,595)
Prepaid expenditure	<u>(9,642)</u>	5,316
Accounts payable and accrued liabilities	<u>(236,964)</u>	51,714
Deferred revenue	<u>710,076</u>	-
	<u>1,364,738</u>	<u>897,987</u>
<b>CAPITAL TRANSACTIONS</b>		
Purchase of tangible capital assets	(924,052)	(905,184)
Proceeds on disposal of tangible capital assets	<u>360</u>	-
	<u>(923,692)</u>	<u>(905,184)</u>
<b>FINANCING TRANSACTION</b>		
Repayment of long-term debt	<u>(35,054)</u>	<u>(34,267)</u>
<b>INVESTING TRANSACTIONS</b>		
Advances to government business entity	-	(35,371)
Repayment of advances from government business entity	<u>6,221</u>	339
	<u>6,221</u>	<u>(35,032)</u>
<b>INCREASE (DECREASE) DURING YEAR</b>	412,213	(76,496)
<b>CASH, BEGINNING OF YEAR</b>	<u>870,521</u>	947,017
<b>CASH, END OF YEAR</b>	<u>\$ 1,282,734</u>	<u>\$ 870,521</u>

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

**?ESDILAGH FIRST NATION**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31, 2017**

---

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

---

These consolidated financial statements have been prepared in accordance with Canadian public sector accounting standards prescribed for governments as recommended by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada.

**Reporting Entity and Principles of Financial Reporting**

The ?Esdilagh First Nation reporting entity includes the ?Esdilagh First Nation government and all related entities which are either owned or controlled by the ?Esdilagh First Nation.

Esdilagh Development Corporation, wholly-owned by ?Esdilagh First Nation and not dependent on the Nation for their continuing operations, meets the definition of a government business enterprise and is, therefore, accounted for by the modified equity method of accounting. Under the modified equity method, only ?Esdilagh First Nation's investment in the corporation and their share of the corporation's net income and other changes in equity are recorded. No adjustments are made for accounting policies of the corporation that are different from those of ?Esdilagh First Nation.

**Cash**

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

**Tangible Capital Assets**

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

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

Automotive equipment	20%-30%
Buildings and infrastructure	2%-20%
Computer equipment	55%
Heavy duty equipment	20%
Office equipment	20%
Solid waste transfer site	20%
Water treatment system	4%

**?ESDILAGH FIRST NATION  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2017**

---

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

**Tangible Capital Assets, continued**

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

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

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

**Revenue and Expenditure**

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

Government transfers are recognized as revenue when the transfer is authorized and any eligibility criteria are met, except to the extent that transfer stipulations give rise to an obligation that meets the definition of a liability. Transfers are recognized as deferred revenue when transfer stipulations give rise to a liability and recognized in the statement of operations as the stipulation liabilities are settled.

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

**Funding Recoveries and Reimbursements**

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

**?ESDILAGH FIRST NATION**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31, 2017**

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

**Measurement Uncertainty**

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

**2. ACCOUNTS RECEIVABLE**

	<b>(Note 15 &amp; 16)</b>	
	<b>2017</b>	<b>2016</b>
Government:		
Canada Revenue Agency - GST	\$ 20,443	\$ 11,420
Other Government	<u>-</u>	<u>27,825</u>
	<b>20,443</b>	<b>39,245</b>
Trade	9,649	87,773
?Esdilagh First Nation members	<u>21,105</u>	<u>10,721</u>
	<b>\$ 51,197</b>	<b>\$ 137,739</b>

**3. INVESTMENT IN GOVERNMENT BUSINESS ENTITY (Appendix A)**

	<b>(Note 15 &amp; 16)</b>	
	<b>2017</b>	<b>2016</b>
Esdilagh Development Corporation		
Shares	\$ 100	\$ 100
Shareholder loan	<u>8,271</u>	<u>14,492</u>
	<b>\$ 8,371</b>	<b>\$ 14,592</b>

Shares are held on behalf of the Nation's membership by specified Nation members under a trust agreement. Condensed financial information for the government business entity is presented in Appendix A to the financial statements.

**?ESDILAGH FIRST NATION**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31, 2017**

**4. OTTAWA TRUST FUNDS**

	Revenue	Capital	Total 2017	(Note 15 & 16) Total 2016
Balance, beginning of year	\$ 165,756	\$ 27,083	\$ 192,839	\$ 188,504
Interest	3,687	-	3,687	4,335
B.C. Special	466	-	466	-
Balance, end of year	<u>\$ 169,909</u>	<u>\$ 27,083</u>	<u>\$ 196,992</u>	<u>\$ 192,839</u>

The Ottawa Trust Accounts arise from monies from capital or revenue sources outlined in Section 62 of the “Indian Act”. These funds are held in trust in the consolidated revenue fund of the Government of Canada and are subject to audit by the office of the Auditor General of Canada. The management of these funds is primarily governed by Sections 63 to 69 of the “Indian Act”.

**5. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES**

	2017	(Note 15 & 16) 2016
Trade payables and accrued liabilities	\$ 67,304	\$ 225,718
Recoveries payable	189,914	230,106
Wages and benefits payable	26,787	69,207
WorkSafe BC	<u>5,958</u>	<u>1,896</u>
	<u>\$ 289,963</u>	<u>\$ 526,927</u>

**6. DEFERRED REVENUE**

	2017	(Note 15 & 16) 2016
Indigenous and Northern Affairs Canada		
ACRS - ICMS #9-00125949	\$ 24,600	\$ -
?Esdilagh Ice Rink and Ball Diamond -		
ICMS #9-00126367	175,188	-
INAC Mould Renovations #10711	<u>169,901</u>	<u>-</u>
Balance forward	<u>\$ 369,689</u>	<u>\$ -</u>

**?ESDILAGH FIRST NATION**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31, 2017**

**6. DEFERRED REVENUE, continued**

	(Note 15 & 16)	
	2017	2016
Balance forward	\$ 369,689	\$ -
First Nations Health Authority		
Health Building	194,719	-
Other		
Insurance proceeds	<u>145,668</u>	-
	<u>\$ 710,076</u>	\$ -

The Nation has recorded the above surpluses as deferred capital revenue to be used in the completion of projects.

**7. LONG-TERM DEBT**

	(Note 15 & 16)	
	2017	2016
Loan repayable in monthly instalments of \$1,871 including interest at prime plus 2.5% (March 31, 2017 - 5.2%) per annum, secured by general security agreement, due to mature February 2018	\$ 20,810	\$ 41,602
Loan repayable in monthly instalments of \$1,889 non-interest bearing, secured by specific equipment with a net book value of \$29,237, due to mature June 2017	<u>3,565</u>	17,827
	<u>\$ 24,375</u>	\$ 59,429

**?ESDILAGH FIRST NATION**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31, 2017**

---

**8. TANGIBLE CAPITAL ASSETS (Appendix B)**

					(Note 15 & 16)	
					2017	2016
	Cost	Accumulated Amortization		Net Book Value		Net Book Value
Automotive equipment	\$ 55,143	\$ 27,894		\$ 27,249		\$ 32,423
Buildings and infrastructure	2,001,810	550,820		1,450,990		618,006
Computer equipment	4,394	3,060		1,334		466
Heavy duty equipment	167,228	96,017		71,211		47,151
Office equipment	20,357	4,071		16,286		-
Solid waste transfer site	49,692	26,285		23,407		29,258
Water treatment system	<u>1,487,032</u>	<u>224,026</u>		<u>1,263,006</u>		<u>1,315,631</u>
	<u><u>\$ 3,785,656</u></u>	<u><u>\$ 932,173</u></u>		<u><u>\$ 2,853,483</u></u>		<u><u>\$ 2,042,935</u></u>

**9. CONTINGENT LIABILITIES**

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

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

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

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

Recipient total as per 2016/2017 INAC funding confirmation	\$ 911,557
Variance	_____
Recipient total as per consolidated statement of operations	<u>\$ 911,557</u>

**?ESDILAGH FIRST NATION**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31, 2017**

---

**11. GOVERNMENT TRANSFERS**

	2017			(Note 15 & 16)		
	<u>Operating</u>	<u>Capital</u>	<u>Total</u>	<u>Operating</u>	<u>Capital</u>	<u>Total</u>
Federal government transfers:						
Indigenous and Northern Affairs Canada	\$ 486,957	\$ 424,600	\$ 911,557	\$ 452,174	\$ 355,013	\$ 807,187
Canada Mortgage and Housing	<u>3,447</u>	<u>43,136</u>	<u>46,583</u>	-	-	-
	<u>490,404</u>	<u>467,736</u>	<u>958,140</u>	452,174	355,013	807,187
Provincial Government transfers	65,719	-	65,719	56,822	-	56,822
First Nations Health Authority	<u>230,078</u>	<u>846,390</u>	<u>1,076,468</u>	221,659	400,000	621,659
	<u>\$ 786,201</u>	<u>\$ 1,314,126</u>	<u>\$ 2,100,327</u>	\$ 730,655	\$ 755,013	\$ 1,485,668

**12. ECONOMIC DEPENDENCE**

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

**13. RISK MANAGEMENT**

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

**Credit Risk**

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

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

**?ESDILAGH FIRST NATION**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31, 2017**

---

**13. RISK MANAGEMENT, continued**

---

**Interest Rate Risk**

Interest rate risk refers to the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The Nation's long-term debt is at fixed and floating rates of interest therefore, a change in market interest rates has no impact to cash flows for the fixed rate debt, however, debt subject to floating rates of interest may impact cash flow to service the debt. There has been no change to the risk exposure from 2016 and there is expected to be no substantive change in the next fiscal period.

**14. SEGMENT DISCLOSURE**

---

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

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

Education - provides elementary and secondary education instructional services and provides financial support to post-secondary students;

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

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

Housing - provides housing and services to Nation members;

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

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

**?ESDILAGH FIRST NATION**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31, 2017**

---

**14. SEGMENT DISCLOSURE, continued**

---

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

**15. CORRECTION OF AN ERROR**

---

The comparative figures have been restated due to reclassification of assets and adjustments to deferred revenue and recoveries payable in the 2016 and prior years audited financial statements. The following outlines the impact of the changes to the prior year figures:

**Financial Assets**

Cash, end of 2016, as previously stated	\$ 894,525
Decrease in cash 2016	<u>(24,004)</u>
 Cash, end of 2016, as restated	 <u>\$ 870,521</u>
 Accounts receivable, end of 2016, as previously stated	 \$ 101,690
Increase in accounts receivable 2016	<u>36,049</u>
 Accounts receivable, end of 2016, as restated	 <u>\$ 137,739</u>
 Investment in government business entity, end of 2016, as previously stated	 \$ 783
Increase in investment in government business entity	<u>13,809</u>
 Investment in government business entity, end of 2016, as restated	 <u>\$ 14,592</u>
 Ottawa Trust Funds, end of 2016, as previously stated	 \$ 200,959
Decrease in Ottawa Trust Funds 2016	<u>(8,120)</u>
 Ottawa Trust Funds, end of 2016, as restated	 <u>\$ 192,839</u>

**?ESDILAGH FIRST NATION  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
YEAR ENDED MARCH 31, 2017**

---

**15. CORRECTION OF AN ERROR, continued**

---

**Financial Liabilities**

Accounts payable and accrued liabilities and deferred revenue, end of 2016, as previously stated	\$ 698,501
Decrease in accounts payable and accrued liabilities and deferred revenue 2016	<u>(171,574)</u>
Accounts payable and accrued liabilities and deferred revenue, end of 2016, as restated	<u>\$ 526,927</u>

**Accumulated Surplus**

Accumulated surplus, end of 2016, as previously stated	\$ 2,501,031
Increase in accumulated surplus 2016	<u>184,868</u>
Accumulated surplus, end of 2016, as restated	<u>\$ 2,685,899</u>

**16. COMPARATIVE FIGURES**

---

The prior year's comparative figures were audited by another firm of Chartered Professional Accountants and have been reclassified for the current year presentation and are presented for comparative purposes only.

ʔESDILAGH FIRST NATION  
SEGMENT DISCLOSURE  
FOR THE YEAR ENDED MARCH 31, 2017

	ECONOMIC DEVELOPMENT		EDUCATION		GOVERNMENT DEVELOPMENT AND ADMINISTRATION	
	2017	2016	2017	2016	2017	2016
<b>REVENUE</b>						
Indigenous and Northern Affairs Canada	\$ -	\$ -	\$ 90,609	\$ 65,204	\$ 165,529	\$ 161,956
First Nations Health Authority	-	-	-	-	-	-
Canada Mortgage and Housing Corporation	-	-	-	-	-	-
Province of British Columbia	65,719	56,822	-	-	-	-
Cariboo Chilcotin Aboriginal Training Employment Centre	-	-	13,564	11,279	-	-
First Nations Education Steering Committee	-	-	-	-	-	-
Tsilhqot'in National Government	559,346	410,279	-	-	-	-
Management and administration	-	-	-	-	8,916	15,826
Own Source	221,575	96,948	-	-	-	-
Interest, rent and other	200	39,782	-	-	148,372	6,469
Ottawa Trust Fund	-	-	-	-	-	-
Change in deferred revenue	-	-	-	-	(145,668)	-
<b>TOTAL REVENUE</b>	<b>846,840</b>	<b>603,831</b>	<b>104,173</b>	<b>76,483</b>	<b>177,149</b>	<b>184,251</b>
<b>EXPENDITURE</b>						
Allowances and awards	-	-	35,469	33,559	-	-
Administration	7,314	14,561	8,451	-	273	-
Amortization and interest	502	40	-	-	1,654	2,592
Capital purchases	80,506	-	-	-	23,323	14,207
Consulting and contract services	122,792	59,819	1,927	6,948	47,918	81,126
Honoraria	10,118	3,696	-	399	35,283	24,441
Insurance, fees and dues	2,988	876	-	-	30,799	25,317
Office	-	-	(1,941)	-	35,171	9,517
Professional fees	-	-	-	-	109,047	68,658
Repairs and maintenance	12,267	8,427	-	-	24,276	191
Supplies	44,957	33,912	2,983	2,676	13,556	(2,740)
Telephone and utilities	-	-	480	160	10,063	10,258
Travel and accommodations	24,740	9,614	6,823	7,180	26,057	11,474
Wages and benefits	140,565	172,076	29,069	13,504	106,515	75,648
Workshops and tuition	-	596	14,067	11,459	1,376	550
Other	23,229	37,879	-	100	8,006	11,341
Loss on disposal of tangible capital assets	-	-	-	-	-	-
<b>TOTAL EXPENDITURE</b>	<b>469,978</b>	<b>341,496</b>	<b>97,328</b>	<b>75,985</b>	<b>473,317</b>	<b>332,580</b>
<b>EXCESS REVENUE OVER EXPENDITURE (EXPENDITURE OVER REVENUE)</b>						
	\$ 376,862	\$ 262,335	\$ 6,845	\$ 498	\$ (296,168)	\$ (148,329)

?ESDILAGH FIRST NATION  
SEGMENT DISCLOSURE  
FOR THE YEAR ENDED MARCH 31, 2017

	HEALTH SERVICES		HOUSING		PUBLIC WORKS OPERATIONS AND MAINTENANCE		SOCIAL AND COMMUNITY SERVICES		OTTAWA TRUST FUNDS			
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
<b>REVENUE</b>												
Indigenous and Northern Affairs Canada	\$ -	\$ -	\$ -	\$ -	\$ 107,890	\$ 95,575	\$ 122,929	\$ 129,439	\$ -	\$ -	\$ -	\$ -
First Nations Health Authority	\$ 230,078	\$ 221,659										
Canada Mortgage and Housing Corporation	-	-	\$ 3,447									
Province of British Columbia	-	-	-									
Cariboo Chilcotin Aboriginal Training Employment Centre	-	-	-									
Tsilhqotin National Government	-	-	-									
Management and administration	-	-	-									
Own Source	-	-	-									
Interest, rent and other	-	1,250	-									
Ottawa Trust Fund	-	-	-								4,153	4,335
Change in deferred revenue	-	-	-								-	
<b>TOTAL REVENUE</b>	<b>230,078</b>	<b>222,909</b>	<b>3,447</b>		<b>107,890</b>	<b>95,575</b>	<b>122,929</b>	<b>129,439</b>		<b>4,153</b>	<b>4,335</b>	
<b>EXPENDITURE</b>												
Allowances and awards	-	500	-		-	284	6,611	1,270	-	-	-	-
Administration	-	-	-		191	-	-	-				
Amortization and interest	-	-	-		-	-	-	-				
Capital purchases	-	-	-		-	-	8,500	-				
Consulting and contract services	\$ 41,057	27,126	\$ 1,757		\$ 35,524	\$ 1,545	\$ 26,464	\$ 13,785				
Honoraria	\$ 24,700	3,465	-		-	-	553	938				
Insurance, fees and dues	\$ 4,028	1,895	-		-	-	-	-				
Office	\$ 983	275	-		-	-	5	-				
Professional fees	-	-	-		-	-	-	-				
Repairs and maintenance	\$ 2,533	1,994	-		\$ 2,032	\$ 500	-	302				
Supplies	\$ 27,236	35,378	-		\$ 3,684	\$ 1,364	\$ 6,110	10,663				
Telephone and utilities	\$ 8,456	2,367	-		\$ 21,106	\$ 5,648	\$ 210	397				
Travel and accommodations	\$ 46,112	49,263	-		\$ 8,109	\$ 3,902	\$ 4,244	3,888				
Wages and benefits	\$ 64,096	66,107	-		\$ 30,286	\$ 30,569	\$ 32,491	2,991				
Workshops and tuition	\$ 27,531	13,472	-		\$ 300	\$ 962	\$ 17	-				
Other	\$ 38,856	24,491	\$ 196		\$ 2,961	\$ 896	\$ 96,280	66,858				
Loss on disposal of tangible capital assets	-	-	-		-	-	-	-				
<b>TOTAL EXPENDITURE</b>	<b>\$ 285,588</b>	<b>226,333</b>	<b>\$ 1,953</b>		<b>\$ 104,193</b>	<b>\$ 45,670</b>	<b>\$ 181,485</b>	<b>101,092</b>				
<b>EXCESS REVENUE OVER EXPENDITURE (EXPENDITURE OVER REVENUE)</b>	<b>\$ (55,510)</b>	<b>\$ (3,424)</b>	<b>\$ 1,494</b>		<b>\$ 3,697</b>	<b>\$ 49,905</b>	<b>\$ (58,556)</b>	<b>\$ 28,347</b>		<b>\$ 4,153</b>	<b>\$ 4,335</b>	

ESDILAGH FIRST NATION  
SEGMENT DISCLOSURE  
FOR THE YEAR ENDED MARCH 31, 2017

	TANGIBLE CAPITAL ASSETS		TOTAL BEFORE ADJUSTMENTS		CONSOLIDATION ADJUSTMENTS		CONSOLIDATED TOTALS	
	2017	2016	2017	2016	2017	2016	2017	2016
<b>REVENUE</b>								
Indigenous and Northern Affairs Canada	\$ 424,600	\$ 355,013	\$ 911,557	\$ 807,187	-	\$ 911,557	\$ 807,187	
First Nations Health Authority	846,390	400,000	1,076,468	621,659	-	-	1,076,468	621,659
Canada Mortgage and Housing Corporation	43,136	-	46,583	-	-	-	46,583	-
Province of British Columbia	-	-	65,719	56,822	-	-	65,719	56,822
Cariboo Chilcotin Aboriginal Training Employment Centre	-	-	13,564	11,279	-	-	13,564	11,279
Tsilhqot'in National Government	-	-	559,346	410,279	-	-	559,346	410,279
Management and administration	-	-	8,916	15,826	-	-	8,916	15,826
Own Source	-	-	221,575	96,948	-	-	221,575	96,948
Interest, rent and other	-	-	148,572	47,501	-	-	148,572	47,501
Ottawa Trust Fund	-	-	4,153	4,335	-	-	4,153	4,335
Change in deferred revenue	(564,408)	-	(710,076)	-	-	-	(710,076)	-
<b>TOTAL REVENUE</b>	<b>749,718</b>	<b>755,013</b>	<b>2,346,377</b>	<b>2,071,836</b>	-	-	<b>2,346,377</b>	<b>2,071,836</b>
<b>EXPENDITURE</b>								
Allowances and awards	-	-	42,080	35,613	-	-	42,080	35,613
Administration	-	-	16,229	14,561	-	-	16,229	14,561
Amortization and interest	-	-	2,156	2,632	108,982	82,139	111,138	84,771
Capital purchases	-	-	112,329	14,207	(112,329)	(14,207)	-	-
Consulting and contract services	731,373	858,691	1,008,812	1,049,040	(731,373)	(858,691)	277,439	190,349
Honoraria	-	-	70,654	32,939	-	-	70,654	32,939
Insurance, fees and dues	-	-	37,815	28,088	-	-	37,815	28,088
Office	-	-	34,218	9,792	-	-	34,218	9,792
Professional fees	-	-	109,047	68,658	-	-	109,047	68,658
Repairs and maintenance	-	2,089	41,108	13,503	(4,162)	(2,089)	36,946	11,414
Supplies	58,906	18,596	157,432	99,849	(58,906)	(18,596)	98,526	81,253
Telephone and utilities	-	3,232	40,315	22,062	-	(3,232)	40,315	18,830
Travel and accommodations	1,233	666	117,318	85,987	(1,233)	(666)	116,085	85,321
Wages and benefits	19,794	6,245	422,816	367,140	(19,794)	(6,245)	403,022	360,895
Workshops and tuition	-	275	43,291	27,314	-	(275)	43,291	27,039
Other	417	1,183	169,945	142,748	(417)	(1,183)	169,528	141,565
Loss on disposal of tangible capital assets	-	-	-	-	4,162	-	4,162	-
<b>TOTAL EXPENDITURE</b>	<b>811,723</b>	<b>890,977</b>	<b>2,425,565</b>	<b>2,014,133</b>	<b>(815,070)</b>	<b>(823,045)</b>	<b>1,610,495</b>	<b>1,191,088</b>
<b>EXCESS REVENUE OVER EXPENDITURE (EXPENDITURE OVER REVENUE)</b>	<b>\$ (62,005)</b>	<b>\$ (135,964)</b>	<b>\$ (79,188)</b>	<b>\$ 57,703</b>	<b>\$ 815,070</b>	<b>\$ 823,045</b>	<b>\$ 735,882</b>	<b>\$ 880,748</b>

**?ESDILAGH FIRST NATION  
GOVERNMENT BUSINESS ENTERPRISE  
CONDENSED FINANCIAL INFORMATION  
FOR THE YEAR ENDED MARCH 31, 2017**

**APPENDIX A**

	Esdilagh Development Corporation Total	<u>2017</u>
<b>Assets</b>		
Financial Assets	\$ 35,374	\$ 35,374
Tangible Capital Assets	-	-
Other Assets	-	-
<b>Total Assets</b>	<u>\$ 35,374</u>	<u>\$ 35,374</u>
<b>Liabilities and Shareholder's Equity</b>		
Liabilities	\$ 27,003	\$ 27,003
Debt	-	-
Equity	100	100
<b>Total Liabilities and Equity</b>	<u>\$ 27,103</u>	<u>\$ 27,103</u>
<b>Related Party Loans</b>	<u>\$ 8,271</u>	<u>\$ 8,271</u>
Intercompany Loans	\$ -	\$ -
?Esdilagh First Nation Advances	<u>8,271</u>	<u>8,271</u>
<b>Related Party Loans</b>	<u>\$ 8,271</u>	<u>\$ 8,271</u>
<b>Revenue</b>	\$ -	\$ -
Expenses	-	-
Amortization	-	-
<b>Total Expenses</b>	-	-
<b>Net Income</b>	<u>\$ -</u>	<u>\$ -</u>
?Esdilagh First Nation Share	<u>\$ -</u>	<u>\$ -</u>

ʔESDILAGH FIRST NATION  
TANGIBLE CAPITAL ASSETS  
FOR THE YEAR ENDED MARCH 31, 2017

APPENDIX B

	COST			ACCUMULATED AMORTIZATION			NET BOOK VALUE		
	Opening Balance	Additions	Disposals	Balance End of Year	Opening Balance	Amortization	Disposals	Balance End of Year	2017
Automotive equipment	\$ 63,701	\$ 7,677	\$ (16,235)	\$ 55,143	\$ 31,278	\$ 8,329	\$ (11,713)	\$ 27,894	\$ 27,249
Buildings and infrastructure	1,147,851	853,959	-	2,001,810	529,845	20,975	-	550,820	1,450,990
Computer equipment	1,429	2,965	-	4,394	963	2,097	-	3,060	1,334
Heavy duty equipment	128,134	39,094	-	167,228	80,983	15,034	-	96,017	71,211
Office equipment	-	20,357	-	20,357	-	4,071	-	4,071	16,286
Solid waste transfer site	49,692	-	-	49,692	20,434	5,851	-	26,285	23,407
Water treatment system	1,487,032	-	-	1,487,032	171,401	52,625	-	224,026	1,263,006
	<b>\$ 2,877,839</b>	<b>\$ 924,052</b>	<b>\$ (16,235)</b>	<b>\$ 3,785,656</b>	<b>\$ 834,904</b>	<b>\$ 108,982</b>	<b>\$ (11,713)</b>	<b>\$ 932,173</b>	<b>\$ 2,853,483</b>

	COST			ACCUMULATED AMORTIZATION			NET BOOK VALUE		
	Opening Balance	Additions	Disposals	Balance End of Year	Opening Balance	Amortization	Disposals	Balance End of Year	2016
Automotive equipment	\$ 44,122	\$ 19,579	\$ -	\$ 63,701	\$ 25,619	\$ 5,659	\$ -	\$ 31,278	\$ 32,423
Buildings and infrastructure	626,105	521,746	-	1,147,851	527,855	1,990	-	529,845	618,006
Computer equipment	1,429	-	-	1,429	393	570	-	963	466
Heavy duty equipment	128,134	-	-	128,134	69,196	11,787	-	80,983	47,151
Office equipment	-	-	-	-	-	-	-	-	-
Solid waste transfer site	49,692	-	-	49,692	13,119	7,315	-	20,434	29,258
Water treatment system	1,487,032	-	-	1,487,032	116,583	54,818	-	171,401	1,315,631
	<b>\$ 2,336,514</b>	<b>\$ 541,325</b>	<b>\$ -</b>	<b>\$ 2,877,839</b>	<b>\$ 752,765</b>	<b>\$ 82,139</b>	<b>\$ -</b>	<b>\$ 834,904</b>	<b>\$ 2,042,935</b>