

Yunesit'in Government
Consolidated Financial Statements
March 31, 2016

Yunesit'in Government
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For the year ended March 31, 2016

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Management's Responsibility

To the Members of Yunesit'in Government:

The accompanying consolidated financial statements of Yunesit'in Government are the responsibility of management and have been approved by the Chief and Council.

Management is responsible for the preparation and fair presentation of the accompanying consolidated financial statements, including responsibility for significant accounting judgments and estimates in accordance with Canadian public sector accounting standards. This responsibility includes selecting appropriate accounting principles and methods, and making decisions affecting the measurement of transactions in which objective judgment is required.

In discharging its responsibilities for the integrity and fairness of the consolidated financial statements, management designs and maintains the necessary accounting systems and related internal controls to provide reasonable assurance that transactions are authorized, assets are safeguarded and financial records are properly maintained to provide reliable information for the preparation of consolidated financial statements.

The Yunesit'in Government Chief and Council are responsible for overseeing management in the performance of its financial reporting responsibilities, and for approving the consolidated financial statements. The Chief and Council fulfils these responsibilities by reviewing the financial information prepared by management and discussing relevant matters with management and external auditors. The Chief and Council are also responsible for recommending the appointment of the First Nation's external auditors.

MNP LLP, an independent firm of Chartered Professional Accountants is appointed by the Chief and Council on behalf of the Members to audit the consolidated financial statements and report directly to them; their report follows. The external auditors have full and free access to, and meet periodically with both the Chief and Council and management to discuss their audit findings.

July 28, 2016



Nation
Administrator

Independent Auditors' Report

To the Members of Yunesit'in Government:

We have audited the accompanying consolidated financial statements of Yunesit'in Government, which comprise the consolidated statement of financial position as at March 31, 2016, and the consolidated statements of operations and accumulated surplus, changes in net financial assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

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

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks 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 qualified audit opinion.

Basis for Qualified Opinion

We were unable to observe sufficient evidence of the review and approval of Yunesit'in Government's budget. Therefore, we were unable to determine whether adjustments to budgeted operations or budgeted changes in net financial assets might be necessary to present these figures as originally planned in the consolidated financial statements.

Qualified Opinion

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion paragraph, the consolidated financial statements present fairly, in all material respects, the financial position of Yunesit'in Government as at March 31, 2016 and the results of its operations, changes in net financial assets and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Other Matter

The comparative figures were audited by another firm of Chartered Professional Accountants who issued an audit opinion without reservations on July 28, 2015.

Prince George, British Columbia

July 28, 2016

MNP LLP

Chartered Professional Accountants

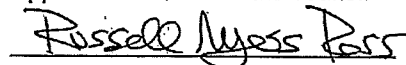

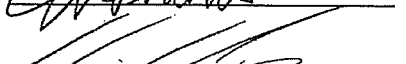
Yunesit'in Government

Consolidated Statement of Financial Position

As at March 31, 2016

	2016	2015 (Restated)
Financial assets		
Cash	249,253	269,751
Accounts receivable (Note 3)	368,246	282,270
Restricted cash (Note 4)	148,020	173,751
Portfolio investment (Note 5)	1	1
Funds held in trust (Note 6)	137,984	134,161
Total of financial assets	903,504	859,934
Liabilities		
Accounts payable and accruals	264,963	296,936
Deferred revenue (Note 7) (Note 11)	233,974	67,279
Long-term debt (Note 8)	268,281	324,219
Total liabilities	767,218	688,434
Net financial assets	136,286	171,500
Contingencies (Note 9)		
Non-financial assets		
Tangible capital assets (Schedule 1)	9,857,087	8,039,793
Prepaid expenses	15,907	-
Total non-financial assets	9,872,994	8,039,793
Accumulated surplus (Note 10)	10,009,280	8,211,293

Approved on behalf of the Council

	Chief	_____	Councillor
	Councillor	_____	Councillor
	Councillor	_____	Councillor

Yunesit'in Government

Consolidated Statement of Operations and Accumulated Surplus

For the year ended March 31, 2016

	<i>Schedules</i>	2016 Budget (unaudited)	2016	2015 (Restated)
Revenue				
Indigenous and Northern Affairs Canada (Note 11)		1,625,729	3,775,664	2,289,235
First Nations Health Authority (Note 12)		505,771	561,862	489,259
Investment Revenue - Yunesit'in Development Enterprises		-	864,549	718,100
Other revenue		81,684	597,920	445,310
Cariboo Chilcotin Aboriginal Training Employment Centre		-	75,387	20,078
Canada Mortgage and Housing Corporation		12,905	12,905	14,217
First Nations Education Steering Committee		-	65,344	69,826
Rentals		51,300	44,030	61,003
Loss on portfolio investment		-	-	(431,169)
Funds held in trust income		-	3,823	4,212
New Relationship Trust		-	-	20,000
Tsilhqot'in National Government		-	-	12,000
All Nations Development		-	-	12,000
First Peoples' Heritage Language and Culture Committee		-	-	10,000
		2,277,389	6,001,484	3,734,071
Expenses				
Cariboo Chilcotin Aboriginal Training Employment Centre	3	-	96,361	30,750
Administration	4	397,188	653,762	469,391
Education	5	818,618	988,831	831,825
Nation programs	6	681,978	578,932	674,512
Health	7	448,515	533,576	470,773
Capital Projects	8	-	35,142	148,865
Investment Fund	9	-	702,257	614,595
Natural Resources	10	60,052	41,908	223,764
Public Works	11	105,617	513,360	509,860
Social Housing	12	48,769	59,368	80,910
Total expenses (Schedule 2)		2,560,737	4,203,497	4,055,245
Annual surplus (deficit)		(283,348)	1,797,987	(321,174)
Accumulated surplus, beginning of year		8,211,293	8,211,293	8,532,467
Accumulated surplus, end of year		7,944,470	10,009,280	8,211,293

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

Yunesit'in Government
Consolidated Statement of Change in Net Financial Assets
For the year ended March 31, 2016

	2016 Budget (unaudited)	2016	2015 (Restated)
Annual surplus (deficit)	(283,348)	1,797,987	(321,174)
Purchases of tangible capital assets	-	(2,194,132)	(558,700)
Amortization of tangible capital assets	-	376,838	320,940
Acquisition of prepaid expenses	-	(15,907)	-
Use of prepaid expenses	-	-	10,064
Decrease in net financial assets	(283,348)	(35,214)	(548,870)
Net financial assets, beginning of year	171,500	171,500	720,370
Net financial assets (net debt) , end of year	(111,848)	136,286	171,500

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

Yunesit'in Government
Consolidated Statement of Cash Flows
For the year ended March 31, 2016

	2016	2015 (Restated)
Cash provided by (used for) the following activities		
Operating activities		
Annual surplus (deficit)	1,797,987	(321,174)
Non-cash items		
Amortization	376,838	320,940
Funds held in trust income	(3,823)	(4,212)
Provision for impairment loss on portfolio investment	-	431,169
	2,171,002	426,723
Changes in working capital accounts		
Accounts receivable	(85,976)	139,153
Prepaid expenses	-	10,064
Accounts payable and accruals	(31,973)	112,129
Deferred revenue	166,695	(126,178)
Prepaid expenses	(15,907)	-
	2,203,841	561,891
Financing activities		
Advances of long-term debt	-	128,104
Repayment of long-term debt	(55,938)	(47,894)
Cash restricted as to use	25,731	-
	(30,207)	80,210
Capital activities		
Purchases of tangible capital assets	(2,194,132)	(558,700)
Increase (decrease) in cash resources	(20,498)	83,401
Cash resources, beginning of year	269,751	186,350
Cash resources, end of year	249,253	269,751

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

Yunesit'in Government
Notes to the Consolidated Financial Statements
For the year ended March 31, 2016

1. Operations

The Yunesit'in Government (the "First Nation") is located in the province of British Columbia, and provides various services to its Members. Yunesit'in Government includes the Nation's members, government and all related entities that are accountable to the Nation and are either owned or controlled by the Nation.

2. Significant accounting policies

These consolidated financial statements are the representations of management, prepared in accordance with Canadian public sector accounting standards and including the following significant accounting policies:

Reporting entity

The financial statements consolidate the financial activities of all entities and departments comprising the First Nation reporting entity, except for First Nation business entities. Trusts administered on behalf of third parties by Yunesit'in Government are excluded from the First Nation reporting entity.

The First Nation has consolidated the assets, liabilities, revenue and expenses of the following departments:

- Tsilhqot'in Economic Development Corporation
- Tsilhqot Forest Products Inc.
- Yunesit'in Government CMHC Social Housing Program
- Yunesit'in Development Enterprises

All inter-entity balances have been eliminated on consolidation.

Basis of presentation

Sources of revenue and expenses are recorded on the accrual basis of accounting. The accrual basis of accounting recognizes revenue as it becomes available and measurable; expenses are recognized as they are incurred and measurable as a result of the receipt of goods or services and the creation of a legal obligation to pay.

Cash and cash equivalents

Cash and cash equivalent include balances with banks and short-term investments with maturities of three months or less. Cash subject to restrictions that prevent its use for current purposes is included in restricted cash.

Portfolio investments

Long-term investments in entities that are not owned, controlled or influenced by the First Nation reporting entity are accounted for using the cost method. They are recorded at cost, less any provision for other than temporary impairment.

Tangible capital assets

Tangible capital assets are initially recorded at cost. Contributed tangible assets are recorded at their fair value at the date of contribution.

All intangible assets and items inherited by the rights of the First Nation, such as reserve land, forests, water and mineral resources are not recognized in the First Nation's consolidated financial statements.

Tangible capital assets are amortized over their expected useful life of the assets using the declining balance and straight line methods. In the year of acquisition amortization is taken at one-half the rates. See below for amortization rates of specific assets categories.

Yunesit'in Government
Notes to the Consolidated Financial Statements
For the year ended March 31, 2016

2. **Significant accounting policies** *(Continued from previous page)*

Amortization

Tangible capital assets are amortized annually using the following methods at rates intended to amortize the cost of the assets over their estimated useful lives:

	Method	Rate
Buildings	declining balance	4 %
Community infrastructure	declining balance	2 %
Machinery and equipment	declining balance	20-30 years
Housing	straight-line	25 years

Funds held in trust

Funds held in trust on behalf of First Nation members by the Government of Canada in the Ottawa Trust Fund are reported on the consolidated statement of financial position with an offsetting amount in accumulated surplus. Trust moneys consist of:

- Capital trust moneys derived from non-renewable resource transactions on the sale of land or other First Nation tangible capital assets; and
- Revenue trust moneys generated primarily through land leasing transactions or interest earned on deposits held in trust.

Net financial assets

The First Nation's consolidated financial statements are presented so as to highlight net financial assets (net debt) as the measurement of consolidated financial position. The net financial assets of the First Nation is determined by its financial assets less its liabilities. Net financial assets is comprised of two components, non financial assets and accumulated surplus.

Asset classification

Assets are classified as either financial or non-financial. Financial assets are assets that could be used to discharge existing liabilities or finance future operations. Non-financial assets are acquired, constructed or developed assets that do not normally provide resources to discharge existing liabilities but are employed to deliver government services, may be consumed in normal operations and are not for resale in the normal course of operations. Non-financial assets include tangible capital assets and prepaid expenses.

2. Significant accounting policies *(Continued from previous page)*

Revenue recognition

- i) **Government Funding**
The First Nation recognizes a government transfer as revenue when the transfer is authorized and all eligibility criteria, if any, have been met. A government transfer with stipulations giving rise to an obligation that meets the definition of a liability is recognized as a liability. In such circumstances, the First Nation recognizes revenue as the liability is settled. Transfers of non-depreciable assets are recognized in revenue when received or receivable.
- ii) **First Nation Capital and Revenue Trust Funds**
The First Nation recognizes revenues of the Capital and Revenue trusts when earned.
- iii) **Canada Mortgage and Housing Corporation ("CMHC") and First Nations Health Authority ("FNHA")**
CMHC and FNHA revenue is recognized as it become receivable under the terms of the applicable funding agreements. Funding received under funding arrangements that relate to a subsequent fiscal period are reflected as deferred revenue on the consolidated statement of financial position in the year of receipt.
- iv) **Housing rental income**
Rental revenue is recorded in the year it is earned. At the end of each year, management evaluates whether rent revenue is collectible and records a bad debt expense and allowance for doubtful accounts for those amounts designated as unlikely to be collected.
- vi) **Other revenue**
Revenue such as administration fee, contract revenue and other revenue is recognized when performance is achieved, amounts are reasonably estimated and collection is reasonably assured.

Measurement uncertainty

The preparation of consolidated financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenue and expenses during the reporting period. Accounts receivable are stated after evaluation as to their collectability and an appropriate allowance for doubtful accounts is provided where considered necessary. Amortization is based on the estimated useful lives of tangible capital assets. Liabilities for contaminated sites are estimated based on the best information available regarding potentially contaminated sites that the First Nation is responsible for. These estimates are reviewed periodically and, as adjustments become necessary, they are reported in the surplus of the periods in which they become known.

Long-lived assets

Long-lived assets consist of tangible capital assets with finite useful lives. Long-lived assets held for use are measured and amortized as described in the applicable accounting policies.

The First Nation performs impairment testing on long-lived assets held for use whenever events or changes in circumstances indicate that the carrying amount of an asset, or group of assets, may not be recoverable. Impairment losses are recognized when an asset's service potential is reduced. Impairment is measured as the amount by which the asset's carrying amount exceeds its fair value. Any impairment is included in operations for the year. Prices for similar items are used to measure fair value of long-lived assets.

The First Nation does not perform impairment testing on its long-lived assets that are held for public administration and situated on its reserve land as it is not possible to determine their fair market value.

Employee future benefits

The First Nation's employee future benefit programs consist of defined contribution pension plans. The First Nation's contributions to the defined contribution plans are expensed as incurred.

2. Significant accounting policies *(Continued from previous page)*

Segments

The First Nation conducts its business through a number of reportable segments as described in Note 14. These operating segments are established by senior management to facilitate the achievement of the First Nation's long-term objectives to aid in resource allocation decisions, and to assess operational performance.

For each reported segment, revenue and expenses represent both amounts that are directly attributable to the segment and amounts that are allocated on a reasonable basis.

The accounting policies used in these segments are consistent with those followed in the preparation of the consolidated financial statements.

Financial instruments

Financial instruments includes cash resources, accounts receivable, restricted cash, funds held in trust, accounts payable and accruals, and long-term debt. Unless otherwise stated, it is management's opinion that the First Nation is not exposed to significant interest, currency, or credit risks arising from these financial instruments. Unless otherwise stated, the book value of the First Nation's financial assets and liabilities approximates their fair value due to the short-term maturities of the instruments. The fair value of the First Nation's long-term debt is approximated by its carrying value as the terms and conditions of similar instruments are not materially different from those associated with the First Nation's long-term debt.

Liability for contaminated site

A liability for remediation of a contaminated site is recognized at the best estimate of the amount required to remediate the contaminated site when contamination exceeding an environmental standard exists, the First Nation is either directly responsible or accepts responsibility, it is expected that future economic benefits will be given up, and a reasonable estimate of the amount is determinable. The best estimate of the liability includes all costs directly attributable to remediation activities and is reduced by expected net recoveries based on information available at March 31, 2016.

At each financial reporting date, the First Nation reviews the carrying amount of the liability. Any revisions required to the amount previously recognized is accounted for in the period revisions are made. The First Nation continues to recognize the liability until it is settled or otherwise extinguished. Disbursements made to settle the liability are deducted from the reported liability when they are made. As at March 31, 2016, no liability for contaminated sites exists.

Recent accounting pronouncements

PS 2200 Related Party Disclosures

In March 2015, as part of the CPA Canada Public Sector Accounting Handbook Revisions Release No. 42, the Public Sector Accounting Board "(PSAB)" issued a new standard, PS 2200 Related Party Disclosures.

This new Section defines related party and established disclosures required for related party transactions. Disclosure of information about related party transactions and the relationship underlying them is required when they have occurred at a value different from that which would have been arrived at if the parties were unrelated, and they have, or could have, a material financial effect on the consolidated financial statements.

This section is effective for fiscal years beginning on or after April 1, 2017. Early adoption is permitted. The First Nation does not expect the application of the new Standard to have a material effect on the consolidated financial statements.

2. Significant accounting policies *(Continued from previous page)*

PS 3210 Assets

In June 2015, new PS 3210 Assets was included in the CPA Canada Public Sector Accounting Handbook "(PSA HB)". The new Section provides guidance for applying the definition of assets set out in PS 1000 Financial Statement Concepts. The main features of this standard are as follows:

Assets are defined as economic resources controlled by a government as a result of past transactions or events and from which future economic benefits are expected to be obtained.

Economic resources can arise from such events as agreements, contracts, other government's legislation, the government's own legislation, and voluntary contributions.

The public is often the beneficiary of goods and services provided by a public sector entity. Such assets benefit public sector entities as they assist in achieving the entity's primary objective of providing public goods and services.

A public sector entity's ability to regulate an economic resource does not, in and of itself, constitute control of an asset, if the interest extends only to the regulatory use of the economic resource and does not include the ability to control access to future economic benefits.

A public sector entity acting as a trustee on behalf of beneficiaries specified in an agreement or statute is merely administering the assets, and does not control the assets, as future economic benefits flow to the beneficiaries.

An economic resource may meet the definition of an asset, but would not be recognized if there is no appropriate basis for measurement and a reasonable estimate cannot be made, or if another Handbook Section prohibits its recognition. Information about assets not recognized should be disclosed in the notes.

The standard is effective for fiscal years beginning on or after April 1, 2017. Earlier adoption is permitted. The First Nation does not expect application of the new Standard to have a material effect on the consolidated financial statements.

PS 3320 Contingent Assets

In June 2015, new PS 3320 Contingent Assets was included in the CPA Canada Public Sector Accounting Handbook "(PSA HB)". The new Section establishes disclosure standards on contingent assets. The main features of this Standard are as follows:

Contingent assets are possible assets arising from existing conditions or situations involving uncertainty. That uncertainty will ultimately be resolved when one or more future events not wholly within the public sector entity's control occurs or fails to occur. Resolution of the uncertainty will confirm the existence or non-existence of an asset.

Passing legislation that has retroactive application after the financial statement date cannot create an existing condition or situation at the financial statement date.

Elected or public sector entity officials announcing public sector entity intentions after the financial statement date cannot create an existing condition or situation at the financial statement date.

Disclosures should include existence, nature, and extent of contingent assets, as well as the reasons for any non-disclosure of extent, and the bases for any estimates of extent made.

When a reasonable estimate can be made, disclosure should include a best estimate and a range of possible amounts (or a narrower range of more likely amounts), unless such a disclosure would have an adverse impact on the outcome.

The standard is effective for fiscal years beginning on or after April 1, 2017. Earlier adoption is permitted. The First Nation does not expect application of the new Standard to have a material effect on the consolidated financial statements.

2. Significant accounting policies *(Continued from previous page)*

PS 3380 Contractual Rights

In June 2015, new PS 3380 Contractual Rights was included in the CPA Canada Public Sector Accounting Handbook "(PSA HB)". This new Section establishes disclosure standards on contractual rights, and does not include contractual rights to exchange assets where revenue does not arise. The main features of this Standard are as follows:

Contractual rights are rights to economic resources arising from contracts or agreements that will result in both an asset and revenue in the future.

Until a transaction or event occurs under a contract or agreement, an entity only has a contractual right to an economic resource. Once the entity has received an asset, it no longer has a contractual right.

Contractual rights are distinct from contingent assets as there is no uncertainty related to the existence of the contractual right.

Disclosures should include descriptions about nature, extent, and timing.

The standard is effective for fiscal years beginning on or after April 1, 2017. Earlier adoption is permitted. The First Nation does not expect application of the new Standard to have a material effect on the consolidated financial statements.

PS 3430 Restructuring Transactions

In June 2015, new PS 3430 Restructuring Transactions was included in the CPA Canada Public Sector Accounting Handbook "(PSA HB)". The new Section establishes disclosure standards on contingent assets. The main features of this Standard are as follows:

A restructuring transaction is defined separately from an acquisition. The key distinction between the two is the absence of an exchange of consideration in a restructuring transaction.

A restructuring transaction is defined as a transfer of an integrated set of assets and/or liabilities, together with related program or operating responsibilities that does not involve an exchange of consideration.

Individual assets and liabilities transferred in a restructuring transaction are derecognized by the transferor at their carrying amount and recognized by the recipient at their carrying amount with applicable adjustments.

The increase in net assets or net liabilities resulting from recognition and derecognition of individual assets and liabilities received from all transferors, and transferred to all recipients in a restructuring transaction, is recognized as revenue or as an expense.

Restructuring-related costs are recognized as expenses when incurred.

Individual assets and liabilities received in a restructuring transaction are initially classified based on the accounting policies and circumstances of the recipient at the restructuring date.

The financial position and results of operations prior to the restructuring date are not restated.

Disclosure of information about the transferred assets, liabilities and related operations prior to the restructuring date by the recipient is encouraged but not required.

The Section is effective for new restructuring transactions that occur in fiscal periods beginning on or after April 1, 2018. Earlier application is encouraged. The First Nation does not expect application of the new Standard to have a material effect on the consolidated financial statements.

Yunesit'in Government
Notes to the Consolidated Financial Statements
For the year ended March 31, 2016

2. Significant accounting policies *(Continued from previous page)*

PS 3420 Inter-entity Transactions

In March 2015, the Public Sector Accounting Board "(PSAB)" issued new PS 3420 Inter-entity Transactions.

The new Section establishes standards on how to account for and report transactions between public sector entities that comprise a government's reporting entity from both a provider and recipient perspective.

The main features of the new Section are:

- Under a policy of cost allocation, revenues and expenses are recognized on a gross basis
- Transactions are measured at the carrying amount, except in specific circumstances.
- A recipient may choose to recognize unallocated costs for the provision of goods and services and measure them at the carrying amount, fair value or other amount dictated by policy, accountability structure or budget practice.
- The transfer of an asset or liability for nominal or no consideration is measured by the provider at the carrying amount and by the recipient at the carrying amount or fair value.
- Inter-entity transactions are considered in conjunction with PS 2200 Related Party Disclosures.

The standard is effective for fiscal years beginning on or after April 1, 2017. Earlier adoption is permitted. The First Nation does not expect application of the new standard to have a material effect on the consolidated financial statements.

PS 3450 Financial instruments

In June 2011, the Public Sector Accounting Board (PSAB) issued PS 3450 Financial Instruments to establish recognition, measurement, presentation and disclosure of financial assets, financial liabilities and non-financial derivatives. As a result of issuance of PS 3450, there have been numerous consequential amendments made to other Sections. PS 3450 is effective for fiscal years beginning on or after April 1, 2019. Earlier adoption is permitted.

PS 3450 is applied prospectively in the fiscal year of initial adoption; therefore, financial statements of prior periods, including comparative information, are not restated. The First Nation has not yet determined the effect of the new section in its consolidated financial statements.

3. Accounts receivable

	2016	2015 (Restated)
Indigenous and Northern Affairs Canada	100,000	-
Other government agencies	48,429	21,068
Members	101,371	82,755
Other receivables	207,291	266,213
	457,091	370,036
Less: allowance for doubtful accounts	88,845	87,766
	368,246	282,270

4. Restricted cash

Under the terms of the agreement with the Canada Mortgage and Housing Corporation, the replacement reserve account is to be credited in the amount of \$9,556 annually (2015 - \$16,698). These funds, along with the 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 the Credit Union Deposit Insurance Corporation, in investments guaranteed by the Canadian government, or in investments as agreed upon by the Canadian Mortgage and Housing Corporation.

At year end, the replacement reserve is adequately funded (2015 - under funded by \$26,404).

Yunesit'in Government
Notes to the Consolidated Financial Statements
For the year ended March 31, 2016

5. Portfolio Investment

The First Nation has an investment in the following entity:

	<i>Investment cost</i>	<i>2016 Total investment</i>
Portfolio investment:		
River West Forest Productions Ltd.	1	1
<hr/>		
	<i>Investment cost</i>	<i>2015 (Restated) Total investment</i>
Portfolio investment:		
River West Forest Productions Ltd.	1	1
<hr/>		

The First Nation owns 22% of the issued common shares in River West Forest Products Ltd. River West Forest Products Ltd. (the "Company") is a Canadian controlled private corporation incorporated under the laws of the Province of British Columbia. The Company operates a sawmill in the Chilcotin area west of William Lake, British Columbia. The Company was inactive and had no operations as at March 31, 2015 and March 31, 2016.

6. Funds held in trust

Capital and revenue trust monies are transferred to the First Nation on the authorization of the Minister of Indigenous and Northern Affairs Canada, with the consent of the Nation's Council.

	<i>2016</i>	<i>2015</i>
Balance, beginning of year	134,161	129,949
Interest	2,782	4,212
Special (BC)	1,041	-
<hr/>		
Balance, end of year	137,984	134,161
<hr/>		

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 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 Section 63 to 69 of the Indian Act.

Yunesit'in Government
Notes to the Consolidated Financial Statements
For the year ended March 31, 2016

7. Deferred revenue

The First Nation has recorded the following externally restricted surpluses as deferred revenue to be used in the completion of ongoing projects:

	2016	2015
Deferred funding contributions		
Road Upgrade - CPMS #5565	41,297	41,297
Asset Condition Reporting System - CPMS #8805	20,217	20,217
Mould Renovations - CPMS #8834	2,816	2,816
Housing Renovations - CPMS #8501	2,528	2,528
Mould Renovations - CPMS #10287	421	421
Teacherages - CPMS #11595	166,695	-
	233,974	67,279

8. Long-term debt

	2016	2015
All Nations Trust Phase IV bearing interest at 1.67% per annum, repayable in monthly blended payments of \$2,487. The loan has a renewal date of April 1, 2017, matures April 1, 2022, and is secured by a Government of Canada ministerial guarantee.	172,532	199,263
Bank of Montreal demand loan bearing interest at prime (2.70%) plus 0.50% per annum, repayable in monthly blended payments of \$534. The loan is secured by a charge against a First Nation owned housing unit with a net book value of \$120,616 (2015 - \$125,642).	95,749	124,956
	268,281	324,219

Principal repayments on long-term debt in each of the next five years and thereafter, assuming long-term debt subject to refinancing is renewed, are estimated as follows:

	Principal
2017	30,560
2018	31,128
2019	31,706
2020	32,297
2021	32,898
	158,589
Thereafter	109,692

9. Contingencies

The First Nation may be contingently liable with respect to Ministerial guarantees for "On Reserve Housing Loans" to various financial institutions in the amount of \$172,532 (2015 - \$199,263). These guarantees are in addition to CMHC mortgages.

The First Nation is subject to funding recoveries according to their agreements with federal government agencies. It has not yet been determined to what extent any funding amounts related to the year ended March 31, 2016 might be recovered.

Yunesit'in Government
Notes to the Consolidated Financial Statements
For the year ended March 31, 2016

10. Accumulated surplus

Accumulated surplus consists of the following fund balances:

	2016	2015
Operating Fund	170,585	251,775
Ottawa Revenue Trust Fund	137,984	134,161
Housing Replacement Reserve	111,905	109,783
Equity in tangible capital assets	9,588,806	7,715,574
	10,009,280	8,211,293

11. Indigenous and Northern Affairs Canada ("INAC") funding reconciliation

	2016	2015
Direct First Nation Funding		
INAC revenue per confirmation	3,942,359	2,318,945
Deferred revenue from prior year	67,279	37,569
Deferred revenue to subsequent year	(233,974)	(67,279)
	3,775,664	2,289,235

12. First Nations Health Authority ("FNHA") funding reconciliation

	2016	2015
Direct First Nation Funding		
FNHA revenue per confirmation	566,598	489,259
Revenue recorded in the prior year	(4,736)	-
	561,862	489,259

13. Economic dependence

Yunesit'in Government receives a significant portion of its revenue from Indigenous and Northern Affairs Canada ("INAC") as a result of funding agreements entered into with the Government of Canada. These funding agreements are administered by INAC under the terms and conditions of the Indian Act. The ability of the First Nation to continue operations is dependent upon the Government of Canada's continued financial commitments as guaranteed by these agreements.

Yunesit'in Government
Notes to the Consolidated Financial Statements
For the year ended March 31, 2016

14. Segments

The First Nation receives revenues from many different projects and sources. For management and reporting purposes, the revenues, expenses and surplus or deficits are organized by the following segments:

1. Cariboo Chilcotin Aboriginal Training Employment Centre:

Includes the Cariboo Chilcotin Aboriginal Training Employment Centre funding and related expenditures.

2. Administration:

Includes general operations, support, and financial management of Yunesit'in Government.

3. Education:

Includes revenues and expenses related to primary, secondary and post secondary education of the members of Yunesit'in Government.

4. Nation Programs:

Includes revenue and expenditures related to programs to support the Yunesit'in Government community.

5. Health:

Includes activities related to the provision of health services to the members of the Yunesit'in Government community.

6. Capital Projects:

Includes revenue and expenditures related to capital projects.

7. Investment Funds:

Includes activities related to the growth of revenue producing projects within Yunesit'in Development Enterprises.

8. Natural Resources:

Includes activities related to forest and range.

9. Public Works:

Includes activities related to maintenance of infrastructure owned by the Nation.

10. Social Housing:

Includes revenue and expenditures relating to the operation of Yunesit'in Government CMHC Social Housing Program.

11. Trust Fund:

Includes interest revenue from funds held in trust.

15. Comparative figures

Certain comparative figures have been reclassified to conform with current year 's presentation.

16. Correction of prior years

During the year, the First Nation determined that Yunesit'in Development Enterprises was previously incorrectly accounted for under the modified equity method and should have been fully consolidated with the First Nation. The retroactive application of this correction increased revenue by \$614,595, increased expenses by \$614,595, assets increased by \$77,023 and liabilities increased by \$77,023 as at March 31, 2015.

Yunesit'in Government
Schedule 1 - Consolidated Schedule of Tangible Capital Assets
For the year ended March 31, 2016

	<i>Buildings</i>	<i>Community Infrastructure</i>	<i>Machinery and equipment</i>	<i>Housing</i>	<i>2016</i>	<i>2015</i>
Cost						
Balance, beginning of year	8,985,858	2,399,961	778,420	756,273	12,920,512	12,361,812
Acquisition of tangible capital assets	787,332	1,344,390	62,410	-	2,194,132	558,700
Balance, end of year	9,773,190	3,744,351	840,830	756,273	15,114,644	12,920,512
Accumulated amortization						
Balance, beginning of year	3,639,091	264,617	683,773	293,238	4,880,719	4,559,779
Annual amortization	244,785	69,767	35,566	26,720	376,838	320,940
Balance, end of year	3,883,876	334,384	719,339	319,958	5,257,557	4,880,719
Net book value of tangible capital assets	5,889,314	3,409,967	121,491	436,315	9,857,087	8,039,793
2015 Net book value of tangible capital assets	5,167,713	2,135,344	94,646	642,090	8,039,793	

Yunesit'in Government
Schedule 2 - Schedule of Consolidated Expenses by Object
For the year ended March 31, 2016

	2016 <i>Budget (unaudited)</i>	2016	2015
Consolidated expenses by object			
Amortization	29,836	376,838	320,940
Bad debts	-	1,079	-
Bank charges and interest	6,000	14,317	9,662
Contracted services	52,609	304,127	452,088
Honouraria	129,149	142,676	132,928
Insurance	31,726	40,086	40,305
Interest on long-term debt	-	5,212	4,346
Office supplies and expenses	50,850	98,272	115,592
Professional fees	19,600	80,890	49,960
Rent	27,240	44,395	98,003
Repairs and maintenance	7,549	50,370	64,093
Salaries and benefits	969,362	1,441,397	1,421,559
Social assistance	591,053	506,912	519,373
Student expenses	386,699	504,923	341,512
Supplies	54,731	228,175	172,754
Telephone	28,460	32,374	30,283
Travel	130,067	260,820	208,526
Utilities	45,806	70,634	73,321
	2,560,737	4,203,497	4,055,245

Yunesit'in Government
Cariboo Chilcotin Aboriginal Training Employment Centre
Schedule 3 - Consolidated Schedule of Revenue and Expenses
For the year ended March 31, 2016

	<i>2016 Budget (unaudited)</i>	<i>2016</i>	<i>2015</i>
Revenue			
Other revenue	-	16,000	-
Cariboo Chilcotin Aboriginal Training Employment Centre	-	75,387	20,078
First Nations Education Steering Committee Society	-	4,349	4,306
	-	95,736	24,384
Expenses			
Contracted services	-	17,184	-
Office supplies and expenses	-	30	-
Rent	-	1,124	-
Repairs and maintenance	-	1,000	-
Salaries and benefits	-	63,978	30,665
Social assistance	-	1,817	-
Student expenses	-	636	-
Supplies	-	6,032	85
Travel	-	4,560	-
	-	96,361	30,750
Annual deficit before transfers	-	(625)	(6,366)
Transfers between programs	-	5,706	(384)
Annual surplus (deficit)	-	5,081	(6,750)

**Yunesit'in Government
Administration**

Schedule 4 - Consolidated Schedule of Revenue and Expenses
For the year ended March 31, 2016

	<i>2016 Budget (unaudited)</i>	<i>2016</i>	<i>2015</i>
Revenue			
Indigenous and Northern Affairs Canada	219,286	296,122	316,154
Other revenue	20,880	248,691	46,163
New Relationship Trust	-	-	20,000
Tsilhqot'in National Government	-	-	12,000
All Nations Development	-	-	12,000
First Peoples' Heritage, Language and Culture Commission	-	-	10,000
	240,166	544,813	416,317
Expenses			
Bad debts	-	1,079	-
Bank charges and interest	6,000	6,746	8,935
Contracted services	3,423	173,176	27,307
Honouraria	126,649	128,710	127,200
Insurance	1,466	8,479	5,810
Office supplies and expenses	10,792	18,814	12,822
Professional fees	560	31,018	19,255
Rent	1,570	3,097	1,965
Repairs and maintenance	2,000	2,991	1,722
Salaries and benefits	197,850	174,904	209,180
Social assistance	5,760	14,533	2,880
Student expenses	7,577	13,749	1,700
Supplies	5,160	7,495	15,135
Telephone	6,301	6,232	6,259
Travel	17,200	59,101	28,322
Utilities	4,880	3,638	899
	397,188	653,762	469,391
Deficit before transfers	(157,022)	(108,949)	(53,074)
Transfers between programs	169,039	50,387	81,928
Annual surplus (deficit)	12,017	(58,562)	28,854

Yunesit'in Government
Education

Schedule 5 - Consolidated Schedule of Revenue and Expenses
For the year ended March 31, 2016

	<i>2016 Budget (unaudited)</i>	<i>2016</i>	<i>2015</i>
Revenue			
Indigenous and Northern Affairs Canada	715,831	829,871	856,678
Other revenue	60,804	47,655	5,508
First Nations Education Steering Committee Society	-	60,995	65,520
	776,635	938,521	927,706
Expenses			
Bank charges and interest	-	-	20
Contracted services	-	11,303	24,644
Honouraria	2,500	13,341	2,369
Insurance	5,565	6,793	4,994
Office supplies and expenses	9,016	8,102	9,564
Professional fees	3,360	7,689	5,292
Rent	12,560	12,560	12,703
Repairs and maintenance	2,500	5,094	2,848
Salaries and benefits	389,452	377,546	382,762
Social assistance	11,100	10,920	17,424
Student expenses	323,071	435,569	311,122
Supplies	29,000	53,819	25,642
Telephone	9,051	7,477	8,361
Travel	10,000	21,998	20,441
Utilities	11,443	16,620	3,639
	818,618	988,831	831,825
Annual surplus (deficit) before transfers	(41,983)	(50,310)	95,881
Transfers between programs	(77,664)	28,729	(99,696)
Annual deficit	(119,647)	(21,581)	(3,815)

Yunesit'in Government
Nation programs
Schedule 6 - Consolidated Schedule of Revenue and Expenses
For the year ended March 31, 2016

	<i>2016 Budget (unaudited)</i>	<i>2016</i>	<i>2015</i>
Revenue			
Indigenous and Northern Affairs Canada	541,243	619,362	602,734
Other revenue	-	15,038	3,521
	541,243	634,400	606,255
Expenses			
Bank charges and interest	-	138	74
Contracted services	-	489	61,175
Insurance	3,812	2,614	1,013
Office supplies and expenses	18,770	23,222	23,181
Professional fees	560	2,326	1,013
Rent	3,140	3,140	3,852
Repairs and maintenance	-	-	577
Salaries and benefits	84,034	74,313	79,426
Social assistance	556,195	446,989	476,113
Student expenses	10,839	18,657	14,509
Supplies	927	583	4,339
Telephone	2,701	1,209	1,157
Travel	1,000	5,155	7,672
Utilities	-	97	411
	681,978	578,932	674,512
Annual surplus (deficit) before transfers	(140,735)	55,468	(68,257)
Transfers between programs	-	(1,118)	(3,469)
Annual surplus (deficit)	(140,735)	54,350	(71,726)

**Yunesit'in Government
Health**

Schedule 7 - Consolidated Schedule of Revenue and Expenses
For the year ended March 31, 2016

	2016 Budget (unaudited)	2016	2015
Revenue			
First Nations Health Authority	505,771	561,862	489,259
Other revenue	-	19,979	7,118
	505,771	581,841	496,377
Expenses			
Bank charges and interest	-	19	78
Contracted services	33,266	73,019	39,912
Honouraria	-	350	2,234
Insurance	4,852	3,663	5,960
Office supplies and expenses	5,399	27,702	33,049
Professional fees	5,600	6,407	5,250
Rent	8,400	4,359	8,845
Repairs and maintenance	2,999	1,576	9,567
Salaries and benefits	186,921	181,613	178,294
Social assistance	17,770	18,152	15,460
Student expenses	44,712	32,191	8,104
Supplies	11,744	26,715	25,601
Telephone	5,977	11,860	9,105
Travel	97,198	129,249	107,631
Utilities	23,677	16,701	21,683
	448,515	533,576	470,773
Annual surplus before transfers	57,256	48,265	25,604
Transfers between programs	(47,733)	(57,793)	(27,162)
Annual surplus (deficit)	9,523	(9,528)	(1,558)

Yunesit'in Government
Capital Projects
Schedule 8 - Consolidated Schedule of Revenue and Expenses
For the year ended March 31, 2016

	2016 Budget (unaudited)	2016	2015
Revenue			
Indigenous and Northern Affairs Canada	-	1,831,430	302,311
Other revenue	-	2,690	126,178
	-	1,834,120	428,489
Expenses			
Contracted services	-	1,991	134,661
Insurance	-	1,412	1,720
Office supplies and expenses	-	817	-
Rent	-	-	336
Repairs and maintenance	-	317	-
Salaries and benefits	-	21,586	5,132
Social assistance	-	3,079	1,548
Student expenses	-	735	-
Supplies	-	1,030	-
Travel	-	4,175	5,468
	-	35,142	148,865
Annual surplus before transfers	-	1,798,978	279,624
Transfers between programs	-	(37,461)	(3,270)
Annual surplus	-	1,761,517	276,354

**Yunesit'in Government
Investment Fund**

Schedule 9 - Consolidated Schedule of Revenue and Expenses
For the year ended March 31, 2016

	2016 Budget (unaudited)	2016	2015 (Restated)
Revenue			
Investment Revenue - Yunesit'in Development Enterprises	-	864,549	718,100
Expenses			
Amortization	-	20,483	6,975
Bank charges and interest	-	7,377	408
Contracted services	-	27,602	13,099
Insurance	-	5,801	5,146
Office supplies and expenses	-	10,243	1,171
Professional fees	-	8,907	3,400
Rent	-	15,171	29,480
Repairs and maintenance	-	27,077	27,633
Salaries and benefits	-	461,252	421,013
Social assistance	-	11,000	3,863
Student expenses	-	810	4,950
Supplies	-	80,580	74,028
Telephone	-	1,952	1,145
Travel	-	24,002	22,284
	-	702,257	614,595
Annual surplus	-	162,292	103,505

Yunesit'in Government
Natural Resources
Schedule 10 - Consolidated Schedule of Revenue and Expenses
For the year ended March 31, 2016

	2016 <i>Budget</i> <i>(unaudited)</i>	2016	2015
Revenue			
Other revenue	-	-	224,301
Expenses			
Contracted services	-	279	117,804
Honouraria	-	-	75
Insurance	-	81	2,610
Office supplies and expenses	4,917	4,175	7,278
Professional fees	560	1,281	2,625
Rent	1,570	1,570	17,013
Repairs and maintenance	-	244	117
Salaries and benefits	47,825	22,254	52,667
Social assistance	-	-	2,028
Student expenses	-	867	552
Supplies	500	1,015	9,233
Telephone	1,411	1,548	2,096
Travel	869	5,345	8,514
Utilities	2,400	3,249	1,152
	60,052	41,908	223,764
Annual surplus (deficit)	(60,052)	(41,908)	537

Yunesit'in Government
Public Works

Schedule 11 - Consolidated Schedule of Revenue and Expenses
For the year ended March 31, 2016

	2016 Budget (unaudited)	2016	2015
Revenue			
Indigenous and Northern Affairs Canada	149,369	198,879	211,358
Other revenue	-	226,798	9,268
Rentals	-	15,933	17,563
	149,369	441,610	238,189
Expenses			
Amortization	-	325,400	269,219
Bank charges and interest	-	36	135
Contracted services	15,920	(2,276)	33,485
Honouraria	-	275	1,050
Insurance	11,874	7,086	7,831
Office supplies and expenses	1,957	902	11,829
Professional fees	3,360	12,854	7,875
Rent	-	3,375	23,809
Repairs and maintenance	50	12,071	20,928
Salaries and benefits	56,504	62,823	59,509
Social assistance	229	423	57
Student expenses	500	1,709	575
Supplies	5,000	49,222	18,070
Telephone	3,019	2,096	2,161
Travel	3,800	7,034	7,789
Utilities	3,404	30,330	45,538
	105,617	513,360	509,860
Annual surplus (deficit) before transfers	43,752	(71,750)	(271,671)
Transfers between programs	(14,937)	15,563	54,296
Annual surplus (deficit)	28,815	(56,187)	(217,375)

**Yunesit'in Government
Social Housing**

Schedule 12 - Consolidated Schedule of Revenue and Expenses
For the year ended March 31, 2016

	2016 Budget (unaudited)	2016	2015
Revenue			
Other revenue	-	21,068	23,253
CMHC	12,905	12,905	14,217
Rentals	51,300	28,097	43,440
	64,205	62,070	80,910
Expenses			
Amortization	29,836	30,955	44,746
Bank charges and interest	-	-	13
Contracted services	-	1,360	-
Insurance	4,158	4,158	5,221
Interest on long-term debt	-	5,212	4,346
Office supplies and expenses	-	4,264	16,698
Professional fees	5,600	10,407	5,250
Repairs and maintenance	-	-	700
Salaries and benefits	6,775	1,128	2,911
Supplies	2,400	1,683	621
Travel	-	201	404
	48,769	59,368	80,910
Annual surplus before transfers	15,436	2,702	-
Transfers between programs	(6,421)	(4,013)	-
Annual surplus (deficit)	9,015	(1,311)	-

Yunesit'in Government
Trust Fund

Schedule 13 - Consolidated Schedule of Revenue and Expenses
For the year ended March 31, 2016

	2016 Budget (unaudited)	2016	2015
Revenue			
Interest income	-	3,823	4,212
Annual surplus	-	3,823	4,212