

Yekooche First Nation
Consolidated Financial Statements
March 31, 2017

Yekooche First Nation

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For the year ended March 31, 2017

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Management's Responsibility

To the Members of Yekooche First Nation:

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

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

MNP LLP is appointed by 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 Council and management to discuss their audit findings.

July 31, 2017

A handwritten signature in black ink, appearing to be 'B. M.', is written over a horizontal line.

Administrator

Independent Auditors' Report

To the Members of Yekooche First Nation:

We have audited the accompanying consolidated financial statements of Yekooche First Nation, which comprise the consolidated statement of financial position as at March 31, 2017, and the consolidated statements of operations and accumulated surplus, changes in net debt, cash flows and the related schedules 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

The financial statements of the Nations' wholly owned business entity, 0830425 B.C. Ltd. for the year ending March 31, 2017 were not audited, nor prepared in accordance with International Financial Reporting Standards as required by Canadian public sector accounting standards for government business enterprises. Due to the financial statements not being reported in accordance with the required standards and being unaudited we were unable to determine whether adjustments to investment in Nation business entity and earnings (loss) from investment in Nation business entity, annual deficit and accumulated surplus were necessary.

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 Yekooche First Nation as at March 31, 2017 and the results of its operations and accumulated surplus, changes in net debt and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Prince George, British Columbia

July 31, 2017

MNP LLP

Chartered Professional Accountants

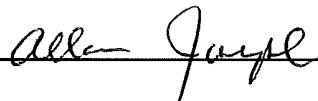
Yekooche First Nation

Consolidated Statement of Financial Position

As at March 31, 2017

	2017	2016
Financial assets		
Cash resources	1,726,742	1,865,398
Accounts receivable (Note 3)	327,500	421,124
Investment in Nation business entity (Note 4)	169,578	129,606
Funds held in trust (Note 5)	17,393	16,527
Total financial assets	2,241,213	2,432,655
Liabilities		
Accounts payable and accruals	362,748	548,662
Deferred revenue (Note 7)	101,647	201,246
Term demand loans (Note 6)	1,337,689	1,447,116
Long term debt (Note 8)	7,158,882	6,841,972
Total liabilities	8,960,966	9,038,996
Net debt	(6,719,753)	(6,606,341)
Contingent liabilities (Note 9)		
Non-financial assets		
Tangible capital assets (Schedule 1)	8,273,492	9,137,122
Prepaid expenses	22,389	36,218
Total non-financial assets	8,295,881	9,173,340
Accumulated surplus (Note 10)	1,576,128	2,566,999

Approved on behalf of the Council



Chief




Councilor

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

Yekooche First Nation
Consolidated Statement of Operations and Accumulated Surplus
For the year ended March 31, 2017

	<i>Schedules</i>	<i>2017 Budget (Note 12)</i>	<i>2017</i>	<i>2016</i>
Revenue				
Indigenous and Northern Affairs Canada (Note 13)		1,686,116	1,769,072	1,345,895
Other income		847,401	831,002	841,427
Resource industry revenue		85,793	85,793	51,604
Earnings (loss) from investment in Nation business entity		-	-	(179,803)
British Columbia Treaty Commission		511,150	194,240	211,561
Province of British Columbia		268,776	265,675	182,442
Rental revenue		184,500	187,145	177,295
Administration fee revenue		179,783	-	-
First Nation Education Steering Committee		334,067	333,387	137,618
Carrier Sekani Family Services		213,839	213,809	196,763
First Nation Health Authority		114,686	114,781	73,526
PG Nechako Aboriginal Employment and Training Association		75,355	70,928	56,387
Interest income		12,000	13,066	13,920
Department of Fisheries and Oceans Canada		7,000	7,000	7,000
		4,520,466	4,085,898	3,115,635
Expenses				
Administration	3	404,527	334,127	505,650
Social Development	4	532,358	480,121	473,288
Education	5	1,314,529	1,252,281	1,088,216
Capital	6	171,790	1,092,991	1,081,798
Economic Development	7	307,232	274,574	349,913
Operations & Maintenance	8	865,689	632,436	728,477
Health	9	292,074	271,165	294,455
Treaty	10	817,002	723,101	547,799
Natural Resources	11	16,000	15,973	113,333
		4,721,201	5,076,769	5,182,929
Annual deficit		(200,735)	(990,871)	(2,067,294)
Accumulated surplus, beginning of year		2,566,999	2,566,999	4,634,293
Accumulated surplus, end of year		2,366,264	1,576,128	2,566,999

Yekooche First Nation
Consolidated Statement of Changes in Net Debt
For the year ended March 31, 2017

	2017 Budget (Note 12)	2017	2016
Annual deficit	(200,735)	(990,871)	(2,067,294)
Purchases of tangible capital assets	-	(151,957)	(165,379)
Disposal of tangible capital assets	-	-	48,529
Amortization of tangible capital assets	-	1,015,587	1,011,986
Use of prepaid expenses	-	13,829	939
Increase in net debt	(200,735)	(113,412)	(1,171,219)
Net debt, beginning of year	(6,606,341)	(6,606,341)	(5,435,122)
Net debt, end of year	(6,807,076)	(6,719,753)	(6,606,341)

Yekooche First Nation
Consolidated Statement of Cash Flows
For the year ended March 31, 2017

	2017	2016
Cash provided by (used for) the following activities		
Operating activities		
Annual deficit	(990,871)	(2,067,294)
Non-cash items		
Amortization	1,015,587	1,011,986
Disposal of tangible capital assets	-	48,530
Increase in Funds held in Trust	(866)	(870)
Loss (earnings) from investment in Nation business entity	-	179,803
	23,850	(827,845)
Changes in working capital accounts		
Accounts receivable	93,624	(107,835)
Accounts payable and accruals	(185,914)	100,086
Deferred revenue	(99,599)	94,970
Prepaid expenses	13,829	939
	(154,210)	(739,685)
Financing activities		
Repayment of term demand loans	(109,427)	(102,325)
Advances of long-term debt	316,910	152,640
	207,483	50,315
Capital activities		
Purchases of tangible capital assets	(151,957)	(165,379)
Investing activities		
Advances to Nation business entity	(39,972)	(6,585)
Decrease in cash resources	(138,656)	(861,334)
Cash resources, beginning of year	1,865,398	2,726,732
Cash resources, end of year	1,726,742	1,865,398

Yekooche First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2017

1. Operations

The Yekooche First Nation (the "Nation") is located in the province of British Columbia, and provides various services to its members. Yekooche First Nation 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 include the following significant accounting policies:

Reporting entity

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

Yekooche Nation business entities, owned or controlled by the Nation's Council but not dependent on the Nation for their continuing operations, are included in the consolidated financial statements using the modified equity method. Under the modified equity method, the equity method of accounting is modified only to the extent that the business entity accounting principles are not adjusted to conform to those of the Nation. Thus, the Nation's investment in these entities is recorded at acquisition cost and is increased for the proportionate share of post acquisition earnings and decreased by post acquisition losses and distributions received. Entities accounted for by the modified equity basis include:

- 0830425 B.C. Ltd.

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.

Tangible capital assets

Tangible capital assets exceeding \$5,000 are recorded at cost less accumulated amortization. Contributed tangible capital assets are recorded at their fair value at the date of contribution.

Amortization

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

Amortization is provided on a straight-line basis over the estimated useful life of the assets. In the year of acquisition amortization is taken at one-half of the rates. See below for amortization rates of specific asset categories.

Equipment	straight-line	4 years
Buildings	straight-line	5-20 years
Roadways and bridges	straight-line	20 years
Water and sewer	straight-line	20 years
Housing	straight-line	15 years
Computer hardware and software	straight-line	4 years
Automotive	straight-line	30 years

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

Funds held in trust

Funds held in trust on behalf of 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 monies consist of:

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

Net debt

The Nation's consolidated financial statements are presented so as to highlight net financial debt as the measurement of consolidated financial position. The net financial debt of the Nation is determined by its financial assets less its liabilities. Net financial debt combined with non-financial assets comprise a second indicator of financial position, 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.

Revenue recognition

Government Funding

The 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 Nation recognizes revenue as the liability is settled. Transfers of non-depreciable assets are recognized in revenue when received or receivable.

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.

Nation Revenue Trust Funds

The Nation recognizes revenue of the Revenue Trust Fund at the time funds are contributed from the accounts held in Ottawa. Interest revenue is recognized when earned.

Other income

Other income is recognized when performance is achieved, amounts are reasonably estimated and collection is reasonably assured.

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

Measurement uncertainty (Use of estimates)

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 their best information available regarding potentially contaminated sites that the Nation is responsible for.

These estimates are reviewed periodically and, as adjustments become necessary, they are reported in the operations in 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 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 services 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 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.

Segments

The 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 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, as disclosed in *Note 2 Significant accounting policies*.

Liability for contaminated sites

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 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, 2017.

At each financial reporting date, the 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 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, 2017 no liabilities for contaminated sites exist.

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

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 Nation does not expect the application of the new Standard to have a material effect on the consolidated financial statements.

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 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 consolidated financial statement date cannot create an existing condition or situation at the consolidated financial statement date.

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

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

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 Nation does not expect application of the new Standard to have a material effect on the consolidated financial statements.

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 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 Nation does not expect application of the new Standard to have a material effect on the consolidated financial statements.

PS 3420 Inter-entity Transactions

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

Yekooche First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2017

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

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.

3. Accounts receivable

	2017	2016
Yekooche First Nation Members	2,075	2,674
Indigenous and Northern Affairs Canada	45,852	72,500
Province of British Columbia	5,792	1,014
Department of Fisheries and Oceans Canada	1,400	2,400
GST receivable	36,080	18,838
Other	236,301	323,698
	327,500	421,124

4. Investment in Nation business entity

The Nation has an investment in the following entity:

			2017	
	<i>Investment cost</i>	<i>Loans / advances</i>	<i>Cumulative share of earnings</i>	<i>Total investment</i>
Wholly-owned Business:				
0830425 B.C. Ltd.	2	42,808	126,768	169,578
				2016
	<i>Investment cost</i>	<i>Loans / advances</i>	<i>Cumulative share of earnings</i>	<i>Total investment</i>
Wholly-owned Business:				
0830425 B.C. Ltd.	2	2,836	126,768	129,606

The following financial information for 0830425 B.C. Ltd. is not audited.

Yekooche First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2017

Summary financial information for the Nation business entity, accounted for using the modified equity method, for its March 31, 2017 year ended is as follows.

	<i>0830425 B.C. Ltd. As at March 31, 2017</i>
Assets	
Investment	100
Investment in joint venture	134,100
Total assets	134,200
Liabilities	
Accounts payable and accruals	1,001
Due to Yekooche First Nation	166,740
Total liabilities	167,741
Deficit	(33,541)
Total revenue	252
Total expenses	33,489
	(33,237)

5. Funds held in trust

Revenue trust money is transferred to the Nation on the authorization of the Minister of Indigenous and Northern Affairs Canada, with the consent of the Nation's Council.

	2017	2016
Revenue Trust		
Balance, beginning of year	16,527	15,657
Interest	866	870
Balance, end of year	17,393	16,527

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 the 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*.

Yekooche First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2017

6. Term demand loans

	2017	2016
Royal Bank of Canada (Phase 1)		
- Interest at 2.64% per annum, compounded monthly		
- Monthly blended payments of \$4,164		
- Maturity date of April 1, 2021		
- Secured by Government of Canada ministerial guarantee		
- Loan is callable on demand	380,984	418,703
Royal Bank of Canada (Phase 2)		
- Interest at 2.70% per annum, compounded monthly		
- Monthly blended payments of \$3,412		
- Maturity date of January 1, 2018		
- Secured by Government of Canada ministerial guarantee		
- Loan is callable on demand	384,061	414,187
Royal Bank of Canada (Phase 3)		
- Interest at 2.26% per annum, compounded monthly		
- Monthly blended payments of \$2,307		
- Maturity date of April 1, 2020		
- Secured by Government of Canada ministerial guarantee		
- Loan is callable on demand	312,704	333,109
Royal Bank of Canada (Phase 5)		
- Interest at 2.13% per annum, compounded monthly		
- Monthly blended payments of \$451		
- Maturity date of September 1, 2021		
- Secured by Government of Canada ministerial guarantee		
- Loan is callable on demand	51,170	54,967
Royal Bank of Canada (Phase 6)		
- Interest at 2.13% per annum, compounded monthly		
- Monthly blended payments of \$1,019		
- Maturity date of September 1, 2021		
- Secured by Government of Canada ministerial guarantee		
- Loan is callable on demand	114,580	124,119
Royal Bank of Canada (Phase 7)		
- Interest at 2.13% per annum, compounded monthly		
- Monthly blended payments of \$837		
- Maturity date of September 1, 2021		
- Secured by Government of Canada ministerial guarantee		
- Loan is callable on demand	94,190	102,031
	1,337,689	1,447,116

Yekooche First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2017

6. Term demand loans *(Continued from previous page)*

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

2018	112,000
2019	120,812
2020	117,695
2021	120,651
2022	123,663
	<u>594,821</u>
Thereafter	<u>742,868</u>

7. Deferred revenue

	2017	2016
Indigenous and Northern Affairs Canada - capital funding	57,399	57,399
External funding	44,248	143,847
	<u>101,647</u>	<u>201,246</u>

8. Long-term debt

Treaty Negotiation Loan Agreement

The Yekooche First Nation had signed loan agreements representing advances made by Canada for negotiation.

The loan is due and payable to Canada, and the First Nation will pay the loan to Canada, on the earliest of the following dates:

- a) the date a treaty is signed by the negotiating parties takes effect unless otherwise agreed in the treaty;
- b) the later of:
 - i) the twelfth anniversary of the date of the first loan advances by Canada, to the Nation under the earliest First Nation Funding agreement, which occurred on September 7, 1995; or
 - ii) if an extension to the date that the cumulative liabilities are due and payable has been agreed to, the extended due date, which is September 7, 2017;
- c) the later of:
 - i) the seventh anniversary after the signing of an Agreement in Principle, which occurred on August 22, 2005; or
 - ii) if an extension to the date that the cumulative liabilities are due and payable has been agreed to, the extended due date, which is September 7, 2017; or
- d) the date the Federal Minister demands payment of the loan due to an event of default under this agreement or under any First Nation Funding Agreement.

Yekooche First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2017

9. Contingent liabilities

Under the terms of agreements with Indigenous and Northern Affairs Canada and other government agencies, certain surpluses may be recoverable and so repayable to the government. The amount of the liability for the current year, if any, of the Yekooche First Nation is not determinable at this time.

Yekooche First Nation has been granted Forest Licence A71378 by the Province of British Columbia. Yekooche First Nation, for consideration received, relinquished all interest in the forest license to Vesco Contracting Ltd., an unrelated entity, and Vesco Contracting Ltd. has agreed to assume all regulatory and license requirements which apply to the license. The amount of the liability Yekooche First Nation may have, if any, with respect to any terms and conditions of the license as the named licensee is not determinable at this time.

10. Accumulated Surplus

Accumulated surplus consists of the following:

	2017	2016
Equity in Ottawa Trust Fund	17,393	16,527
Deficit in operating fund	(5,586,846)	(5,269,140)
Equity in tangible capital assets	6,935,803	7,690,006
Internally restricted - Capital	40,200	-
Investments in business entity	169,578	129,606
	1,576,128	2,566,999

11. Economic dependence

Yekooche First Nation receives substantially all 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 Nation to continue operations is dependent upon the Government of Canada's continued financial commitments as guaranteed by these agreements.

12. Budget information

The disclosed budget information has been approved by Chief and Council of Yekooche First Nation at the Chief and Council meeting held on April 13, 2016. The budget information on the consolidated Statement of Operations and Accumulated Surplus is presented using the same accounting policies as the actual results. A reconciliation from those results to the surplus amount budgeted by the Chief and Council is included below:

Budgeted deficit per consolidated Statement of Operations	(200,735)
Adjusted for:	
Prior period surplus	2,566,999
Annual surplus as approved by Chief and Council	2,366,264

Yekooche First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2017

13. Indigenous and Northern Affairs Canada funding reconciliation

	2017	2016
Direct band funding		
INAC revenue per confirmation	1,693,604	1,623,219
INAC recoveries from 2014/2015	-	(177,725)
INAC recoveries from 2015/2016	(7,488)	-
INAC recoveries from 2016/2017	(16,643)	-
Deferred capital funding	-	(99,599)
Prior year deferred capital funding recognized	99,599	-
	1,769,072	1,345,895

14. Segments

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

Administration

Includes general operations, support, and financial management of the Nation.

Social Development

Includes revenue and expenses relating to the social assistance of the members of the Nation.

Education

Includes revenue and expenses related to primary, secondary and post secondary education of the members of the Nation.

Capital

Includes revenue and expenses related to capital projects.

Economic development

Includes activities related to the growth of revenue production projects with the Nation.

Operations & Maintenance

Includes the maintenance of infrastructure owned by the Nation.

Health

Includes activities related to the provision of health services within the Nation.

Treaty

Includes revenue and expenses related to programs put on to support the Nation's treaty negotiation activities.

Natural Resources

Includes revenue and expenses related to conservation and stewardship of the First Nation's land and resources.

Trust Fund

Includes revenue and expenses relating to the Ottawa Trust Fund held on behalf of the Nation.

15. Comparative figures

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

Yekooche First Nation
Schedule 1 - Consolidated Schedule of Tangible Capital Assets
For the year ended March 31, 2017

	<i>Equipment</i>	<i>Buildings</i>	<i>Roads and Bridges</i>	<i>Water and sewer</i>	<i>Housing</i>	<i>Computer Hardware and software</i>	<i>Subtotal</i>
Cost							
Balance, beginning of year	197,334	9,540,986	1,676,111	5,158,577	3,900,429	124,594	20,598,031
Acquisition of tangible capital assets	-	66,166	-	-	-	16,693	82,859
Disposal of tangible capital assets	-	-	-	-	-	-	-
Balance, end of year	197,334	9,607,152	1,676,111	5,158,577	3,900,429	141,287	20,680,890
Accumulated amortization							
Balance, beginning of year	190,812	5,857,585	891,341	1,839,559	2,561,100	120,512	11,460,909
Annual amortization	2,249	404,205	83,805	256,187	264,270	3,719	1,014,435
Accumulated amortization on disposals	-	-	-	-	-	-	-
Balance, end of year	193,061	6,261,790	975,146	2,095,746	2,825,370	124,231	12,475,344
Net book value of tangible capital assets	4,273	3,345,362	700,965	3,062,831	1,075,059	17,056	8,205,546
2016 Net book value of tangible capital assets	6,522	3,683,401	784,770	3,319,018	1,339,329	4,082	9,137,122

Yekooche First Nation
Schedule 1 - Consolidated Schedule of Tangible Capital Assets
For the year ended March 31, 2017

	<i>Subtotal</i>	<i>Automotive</i>	<i>2017</i>	<i>2016</i>
Cost				
Balance, beginning of year	20,598,031	-	20,598,031	20,515,152
Acquisition of tangible capital assets	82,859	69,098	151,957	165,379
Disposal of tangible capital assets	-	-	-	(82,500)
Balance, end of year	20,680,890	69,098	20,749,988	20,598,031
Accumulated amortization				
Balance, beginning of year	11,460,909	-	11,460,909	10,482,891
Annual amortization	1,014,435	1,152	1,015,587	1,011,986
Accumulated amortization on disposals	-	-	-	(33,968)
Balance, end of year	12,475,344	1,152	12,476,496	11,460,909
Net book value of tangible capital assets	8,205,546	67,946	8,273,492	9,137,122
2016 Net book value of tangible capital assets	9,137,122	-	9,137,122	

Yekooche First Nation
Schedule 2 - Schedule of Consolidated Expenses by Object
For the year ended March 31, 2017

	2017 Budget (Note 12)	2017	2016
Consolidated expenses by object			
Administration fee (recovery)	8,524	6,498	(14,365)
Amortization	-	1,015,587	1,011,986
Automotive	-	-	2,574
Consulting fees	267,091	245,122	347,333
Loss on disposal of tangible capital asset	105,000	6,764	28,732
Honoraria	61,730	38,659	68,605
Insurance	39,100	38,404	36,133
Interest and bank charges	5,820	5,608	5,726
Interest on long-term debt	146,000	35,386	49,400
Licenses and memberships	5,800	5,464	21,498
Meal program	53,428	52,832	32,198
Member services	21,500	16,141	17,470
Office	125,022	150,802	161,078
Office rent	-	-	2,000
Other expenses	215,105	191,834	114,404
Professional fees	233,600	199,988	181,437
Rental	71,247	62,655	92,857
Repairs and maintenance	270,168	215,014	243,334
Social assistance	143,449	126,807	160,629
Sub-contracts	481,804	386,150	385,265
Supplies	107,538	90,596	140,573
Telephone	78,960	77,587	75,318
Training	33,622	29,304	92,172
Travel	277,812	244,999	276,903
Tuition and student expenses	20,170	17,632	20,366
Utilities	107,475	91,820	77,765
Wages and benefits	1,794,720	1,694,870	1,496,798
Workshops and meetings	46,516	30,246	54,740
	4,721,201	5,076,769	5,182,929

Yekooche First Nation
Administration
Schedule 3 - Schedule of Revenue and Expenses
For the year ended March 31, 2017

	2017 Budget (Note 12)	2017	2016
Revenue			
Indigenous and Northern Affairs Canada	220,527	220,527	207,769
Rental revenue	2,000	1,950	11,425
Interest income	12,000	12,200	13,049
Other income	102,000	100,889	114,623
Resource industry revenue	50,000	50,000	-
	386,527	385,566	346,866
Expenses			
Administration fee (recovery)	(159,700)	(165,265)	(176,504)
Amortization	-	4,871	1,632
Consulting fees	-	-	91,937
Equipment	20,000	-	-
Honoraria	10,000	5,300	20,140
Insurance	-	-	1,035
Interest and bank charges	5,520	5,565	5,683
Licenses and memberships	500	540	1,717
Office	48,500	43,465	35,812
Other expenses	-	-	7,950
Professional fees	44,000	34,835	43,323
Rental	15,200	14,135	30,123
Repairs and maintenance	1,000	-	430
Sub-contracts	2,500	1,150	7,847
Supplies	10,000	7,779	31,658
Telephone	14,480	12,914	10,851
Training	2,000	1,574	2,697
Travel	12,000	12,235	33,289
Wages and benefits	370,027	347,038	348,854
Workshops and meetings	8,500	7,991	7,176
	404,527	334,127	505,650
Annual surplus (deficit) before transfers	(18,000)	51,439	(158,784)
Transfers between programs	-	-	(100,000)
Annual surplus (deficit)	(18,000)	51,439	(258,784)

Yekooche First Nation
Social Development
Schedule 4 - Schedule of Revenue and Expenses
For the year ended March 31, 2017

	2017 Budget (Note 12)	2017	2016
Revenue			
Indigenous and Northern Affairs Canada	283,150	266,508	251,289
First Nation Health Authority	91,096	91,096	64,546
Province of British Columbia	58,324	55,223	58,465
Other income	76,200	79,525	45,884
	508,770	492,352	420,184
Expenses			
Administration fee	28,652	28,690	25,193
Honoraria	-	80	950
Insurance	-	-	220
Meal program	41,660	44,376	24,013
Member services	6,500	6,513	8,529
Office	25,000	24,253	27,884
Other expenses	20,376	17,576	12,522
Rental	19,100	18,457	10,800
Repairs and maintenance	-	-	15,300
Social assistance	143,449	126,807	160,629
Sub-contracts	22,330	3,770	-
Supplies	9,500	7,927	9,223
Telephone	3,600	3,600	2,950
Training	3,500	3,761	2,154
Travel	16,750	14,116	12,592
Wages and benefits	190,217	178,471	157,788
Workshops and meetings	1,724	1,724	2,541
	532,358	480,121	473,288
Annual surplus (deficit) before transfers	(23,588)	12,231	(53,104)
Transfers between programs	(10,000)	(10,000)	(35,000)
Annual surplus (deficit)	(33,588)	2,231	(88,104)

Yekooche First Nation
Education
Schedule 5 - Schedule of Revenue and Expenses
For the year ended March 31, 2017

	<i>2017 Budget (Note 12)</i>	<i>2017</i>	<i>2016</i>
Revenue			
Indigenous and Northern Affairs Canada	732,352	732,352	626,458
Carrier Sekani Family Services	4,000	4,000	10,000
PG Nechako Aboriginal Employment and Training Association.	75,355	70,928	56,387
First Nation Education Steering Committee	318,920	318,241	137,618
Other income	70,287	71,159	90,299
Province of British Columbia	51,734	51,734	-
	1,252,648	1,248,414	920,762
Expenses			
Administration fee	71,264	71,264	46,815
Automotive	-	-	1,453
Consulting fees	-	-	6,838
Honoraria	5,700	4,200	10,290
Meal program	11,768	8,456	8,185
Office	4,062	2,729	3,435
Other expenses	180,257	164,396	86,615
Professional fees	2,500	2,142	1,410
Rental	8,847	8,295	5,947
Repairs and maintenance	167,562	167,562	164,924
Sub-contracts	74,150	68,930	29,233
Supplies	22,100	15,551	29,266
Telephone	24,000	24,000	24,400
Training	28,122	23,829	81,043
Travel	88,523	82,481	74,758
Tuition and student expenses	17,000	14,463	4,089
Wages and benefits	602,777	588,083	497,002
Workshops and meetings	5,897	5,900	12,513
	1,314,529	1,252,281	1,088,216
Annual deficit before transfers	(61,881)	(3,867)	(167,454)
Transfers between programs	-	-	(45,000)
Annual deficit	(61,881)	(3,867)	(212,454)

Yekooche First Nation
Capital
Schedule 6 - Schedule of Revenue and Expenses
For the year ended March 31, 2017

	<i>2017 Budget (Note 12)</i>	<i>2017</i>	<i>2016</i>
Revenue			
Indigenous and Northern Affairs Canada	72,211	171,810	40,401
Expenses			
Administration fee	1,761	1,761	3,300
Amortization	-	1,008,467	1,008,554
Disposal of tangible capital asset	-	-	48,532
Sub-contracts	170,029	82,763	21,412
	171,790	1,092,991	1,081,798
Annual deficit	(99,579)	(921,181)	(1,041,397)

Yekooche First Nation
Economic Development
Schedule 7 - Schedule of Revenue and Expenses
For the year ended March 31, 2017

	2017 Budget (Note 12)	2017	2016
Revenue			
Indigenous and Northern Affairs Canada	52,089	52,089	11,884
Earnings (loss) from investment in Nation business entity	-	-	(179,803)
Resource industry revenue	35,793	35,793	51,604
Province of British Columbia	88,718	88,718	123,977
Other income	144,186	144,182	103,193
Administration fee revenue	179,783	-	-
	500,569	320,782	110,855
Expenses			
Administration fee	20,679	20,681	32,965
Consulting fees	51,750	50,942	122,308
Honoraria	4,800	1,300	12,875
Insurance	100	32	851
Interest and bank charges	300	43	43
Member services	11,500	9,088	2,855
Professional fees	-	-	5,538
Rental	10,500	10,500	11,350
Repairs and maintenance	6,000	1,797	6,057
Sub-contracts	-	-	27,568
Supplies	3,700	4,637	3,491
Telephone	2,280	2,280	3,600
Travel	21,000	16,888	40,257
Utilities	1,000	120	-
Wages and benefits	169,423	155,443	71,803
Workshops and meetings	4,200	823	8,352
	307,232	274,574	349,913
Annual surplus (deficit) before transfers	193,337	46,208	(239,058)
Transfers between programs	10,000	10,000	200,000
Annual surplus (deficit)	203,337	56,208	(39,058)

Yekooche First Nation
Operations & Maintenance
Schedule 8 - Schedule of Revenue and Expenses
For the year ended March 31, 2017

	<i>2017 Budget (Note 12)</i>	<i>2017</i>	<i>2016</i>
Revenue			
Indigenous and Northern Affairs Canada	135,789	135,789	137,739
Rental revenue	182,500	185,195	165,870
Other income	406,730	384,582	356,015
First Nation Education Steering Committee	10,000	10,000	-
	735,019	715,566	659,624
Expenses			
Administration fee	8,000	12,000	15,800
Loss (gain) on disposal of tangible capital assets	85,000	6,764	(19,800)
Insurance	39,000	38,372	34,027
Interest on long-term debt	146,000	35,386	49,400
Office	30,500	63,447	62,378
Other expenses	500	566	1,858
Rental	14,600	8,267	26,637
Repairs and maintenance	95,606	45,655	56,623
Sub-contracts	179,600	199,009	254,836
Supplies	30,000	23,402	32,320
Telephone	31,000	31,193	29,317
Training (recovery)	-	24	(1,000)
Travel	9,000	5,394	10,537
Utilities	106,475	91,700	77,765
Wages and benefits	88,408	69,257	97,779
Workshops and meetings	2,000	2,000	-
	865,689	632,436	728,477
Annual surplus (deficit) before transfers	(130,670)	83,130	(68,853)
Transfers between programs	-	-	(20,000)
Annual surplus (deficit)	(130,670)	83,130	(88,853)

Yekooche First Nation
Health
Schedule 9 - Schedule of Revenue and Expenses
For the year ended March 31, 2017

	2017 Budget (Note 12)	2017	2016
Revenue			
Carrier Sekani Family Services	209,839	209,809	186,763
First Nation Health Authority	23,590	23,685	8,980
Other income	37,797	38,763	41,110
First Nation Education Steering Committee	5,147	5,147	-
	276,373	277,404	236,853
Expenses			
Administration fee	22,693	22,193	20,754
Automotive	-	-	1,122
Honoraria	4,500	3,149	1,350
Licenses and memberships	5,300	4,924	19,781
Member services	3,500	540	6,086
Office	1,000	820	16,430
Other expenses	13,973	9,296	5,459
Sub-contracts	-	-	870
Supplies	27,354	26,416	25,419
Telephone	-	-	3,000
Training	-	115	1,439
Travel	32,131	31,084	16,112
Tuition and student expenses	3,170	3,170	16,277
Wages and benefits	173,678	165,169	145,798
Workshops and meetings	4,775	4,289	14,558
	292,074	271,165	294,455
Annual surplus (deficit)	(15,701)	6,239	(57,602)

Yekooche First Nation
Treaty
Schedule 10 - Schedule of Revenue and Expenses
For the year ended March 31, 2017

	2017 Budget (Note 12)	2017	2016
Revenue			
Indigenous and Northern Affairs Canada	189,998	189,998	45,355
British Columbia Treaty Commission	511,150	194,240	211,561
Province of British Columbia	70,000	70,000	-
Other income	1,200	1,237	-
	772,348	455,475	256,916
Expenses			
Administration fee	13,575	13,575	4,715
Consulting fees	215,341	194,180	126,250
Honoraria	36,730	24,630	23,000
Office	15,960	16,085	15,139
Office rent	-	-	2,000
Professional fees	187,100	163,011	108,098
Rental	3,000	3,000	2,000
Sub-contracts	33,195	30,529	31,496
Supplies	4,884	4,884	8,195
Telephone	3,600	3,600	1,200
Training	-	-	5,838
Travel	91,983	77,175	82,712
Wages and benefits	192,214	184,912	131,156
Workshops and meetings	19,420	7,520	6,000
	817,002	723,101	547,799
Annual deficit	(44,654)	(267,626)	(290,883)

Yekooche First Nation
Natural Resources
Schedule 11 - Schedule of Revenue and Expenses
For the year ended March 31, 2017

	2017 Budget (Note 12)	2017	2016
Revenue			
Indigenous and Northern Affairs Canada	-	-	25,000
Department of Fisheries and Oceans Canada	7,000	7,000	7,000
Other income	9,000	10,665	74,645
	16,000	17,665	106,645
Expenses			
Administration fee	1,600	1,600	12,600
Amortization	-	2,249	1,799
Professional fees	-	-	23,069
Rental	-	-	6,000
Sub-contracts	-	-	12,002
Supplies	-	-	1,000
Travel	6,425	5,626	6,646
Wages and benefits	7,975	6,498	46,617
Workshops and meetings	-	-	3,600
	16,000	15,973	113,333
Annual surplus (deficit)	-	1,692	(6,688)

Yekooche First Nation
Trust Fund
Schedule 12 - Schedule of Revenue and Expenses
For the year ended March 31, 2017

	<i>2017 Budget (Note 12)</i>	<i>2017</i>	<i>2016</i>
Revenue			
Interest income	-	866	870
Annual surplus	-	866	870