

Yekooche First Nation
Consolidated Financial Statements
March 31, 2018

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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.

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.

September 28, 2018

A handwritten signature in cursive script, appearing to read 'Cynthia Hill', 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, 2018, 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 a subsidiary of the Nations' wholly owned business entity were not available as at the audit report date. In addition, the subsidiary's financial statements for the year ending April 30, 2017 were not audited. Due to the subsidiary financial statements not being available and the prior year information being unaudited we were unable to determine whether adjustments to investment in Nation business entities, earnings (loss) from investment in Nation business entities, 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, 2018 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

September 28, 2018

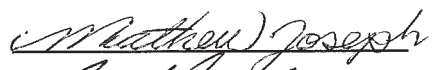
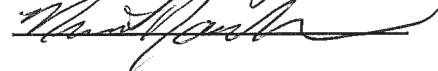
MNP LLP

Chartered Professional Accountants

Yekooche First Nation
Consolidated Statement of Financial Position
As at March 31, 2018

	2018	2017
Financial assets		
Cash resources	1,995,742	1,726,742
Accounts receivable (Note 3)	269,539	327,500
Investment in Nation business entities (Note 4)	137,618	169,578
Funds held in trust (Note 5)	18,328	17,393
Total financial assets	2,421,227	2,241,213
Liabilities		
Accounts payable and accruals	399,379	362,748
Deferred revenue (Note 6)	370,514	101,647
Term demand loans (Note 7)	1,225,787	1,337,689
Long-term debt (Note 8)	7,499,882	7,158,882
Note payable (Note 9)	150,000	-
Total liabilities	9,645,562	8,960,966
Net debt	(7,224,335)	(6,719,753)
Contingent liabilities (Note 10)		
Non-financial assets		
Tangible capital assets (Schedule 1)	7,792,052	8,273,492
Prepaid expenses	9,368	22,389
Total non-financial assets	7,801,420	8,295,881
Accumulated surplus (Note 11)	577,085	1,576,128

Approved on behalf of the Council:

Chief

Councilor



Councilor

Yekooche First Nation
Consolidated Statement of Operations and Accumulated Surplus
For the year ended March 31, 2018

	<i>Schedules</i>	<i>2018 Budget (Note 13)</i>	<i>2018</i>	<i>2017</i>
Revenue				
Indigenous Services Canada (Note 14)		2,456,449	1,820,864	1,769,072
Other income		747,627	858,147	831,002
First Nation Education Steering Committee		363,439	396,197	333,387
Province of British Columbia		280,365	279,531	265,675
British Columbia Treaty Commission		249,000	249,000	194,240
Carrier Sekani Family Services		227,477	235,114	213,809
Rental revenue		165,800	169,058	187,145
First Nation Health Authority		107,519	105,235	114,781
PG Nechako Aboriginal Employment and Training Association		39,469	48,223	70,928
Resource industry revenue		1,000	45,225	85,793
Interest income		16,000	16,830	13,066
Earnings from investment in First Nation business entities		-	11,255	-
Department of Fisheries and Oceans Canada		7,000	7,000	7,000
		4,661,145	4,241,679	4,085,898
Expenses (Schedule 2)				
Administration	3	329,604	373,126	334,127
Social Development	4	463,486	450,517	480,121
Education	5	1,548,426	1,456,623	1,252,281
Capital	6	272,992	1,031,427	1,092,991
Economic Development	7	254,993	81,790	274,574
Operations and Maintenance	8	822,117	610,965	632,436
Health	9	304,301	286,026	271,165
Treaty	10	985,484	929,877	723,101
Natural Resources	11	17,455	20,371	15,973
		4,998,858	5,240,722	5,076,769
Annual deficit		(337,713)	(999,043)	(990,871)
Accumulated surplus, beginning of year		1,576,128	1,576,128	2,566,999
Accumulated surplus, end of year		1,238,415	577,085	1,576,128

Yekooche First Nation
Consolidated Statement of Changes in Net Debt
For the year ended March 31, 2018

	2018 Budget (Note 13)	2018	2017
Annual deficit	(337,713)	(999,043)	(990,871)
Purchases of tangible capital assets	-	(540,812)	(151,957)
Amortization of tangible capital assets	-	1,022,252	1,015,587
Use of prepaid expenses	-	13,021	13,829
Increase in net debt	(337,713)	(504,582)	(113,412)
Net debt, beginning of year	(6,719,753)	(6,719,753)	(6,606,341)
Net debt, end of year	(7,057,466)	(7,224,335)	(6,719,753)

Yekooche First Nation
Consolidated Statement of Cash Flows
For the year ended March 31, 2018

	2018	2017
Cash provided by (used for) the following activities		
Operating activities		
Annual deficit	(999,043)	(990,871)
Non-cash items		
Amortization	1,022,252	1,015,587
Decrease (increase) in investment in Nation business entities	31,960	(39,972)
Increase in funds held in trust	(935)	(866)
	54,234	(16,122)
Changes in working capital accounts		
Accounts receivable	57,961	93,624
Accounts payable and accruals	36,631	(185,914)
Deferred revenue	268,867	(99,599)
Prepaid expenses	13,021	13,829
	430,714	(194,182)
Financing activities		
Repayment of term demand loans	(111,902)	(109,427)
Advances of long-term debt	341,000	316,910
Advances of notes payable	150,000	-
	379,098	207,483
Capital activities		
Purchases of tangible capital assets	(540,812)	(151,957)
Increase (decrease) in cash resources	269,000	(138,656)
Cash resources, beginning of year	1,726,742	1,865,398
Cash resources, end of year	1,995,742	1,726,742

Yekooche First Nation

Notes to the Consolidated Financial Statements

For the year ended March 31, 2018

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 consolidated

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

- 0830425 B.C. Ltd.
- Yekooche First Nation Negotiation Support Agreement (Treaty)

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:

- Ruby Rock Joint Venture

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 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.

Rental revenue

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.

Trust fund revenue

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 consolidated statement of operations and accumulated surplus 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 15. 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, 2018.

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, 2018 no liability for contaminated sites exists.

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

Recent accounting pronouncements

PS 2200 Related Party Disclosures and PS 3420 Inter-Entity Transactions

Effective April 1, 2017, the Nation adopted the recommendations relating to PS 2200 Related Party Disclosures and PS 3420 Inter-Entity Transactions, as set out in the CPA Canada Public Sector Accounting Handbook. Pursuant to the recommendations, the changes were applied prospectively, and prior periods have not been restated.

These new Sections define a related party and establish disclosures required for related party transactions. Disclosure is required when related party transactions have occurred at a value different from that which would have been arrived at if the parties were unrelated, and they have, a material financial effect on the financial statements. They also establish 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.

There was no material impact on the consolidated financial statements of adopting the new Sections.

PS 3210 Assets, PS 3320 Contingent Assets and PS 3380 Contractual Rights

Effective April 1, 2017, the Nation adopted the recommendations relating to PS 3210 Assets, PS 3320 Contingent Assets, and PS 3380 Contractual Rights, as set out in the CPA Canada Public Sector Accounting Handbook. Pursuant to the recommendations, the changes were applied prospectively, and prior periods have not been restated. PS 3210 Assets provides additional guidance to clarify the definition of assets set out in PS 1000 Financial Statement Concepts.

PS 3320 Contingent Assets establishes disclosure standards on contingent assets.

PS 3380 Contractual Rights 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 Section 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.

There was no material impact on the consolidated financial statements of adopting the new Sections.

Yekooche First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2018

3. Accounts receivable

	2018	2017
Yekooche First Nation members	-	2,075
Indigenous Services Canada	1,770	45,852
GST receivable	88,437	36,080
Other receivables	179,332	243,493
	269,539	327,500

4. Investment in Nation business entities

The Nation has investments in the following entities:

During the year, it was determined that 0830425 B.C. Ltd. no longer met the definition of a First Nation Business enterprise. This was due to the fact that 0830425 B.C. Ltd was no longer able to maintain its operations and meet its liabilities from revenues received in the normal course of its operations. This change resulted in the assets, liabilities, revenues and expenses being consolidated into these financial statements for the 2018 fiscal year.

			2018	
	<i>Investment cost</i>	<i>Loans / advances</i>	<i>Cumulative share of earnings (loss)</i>	<i>Total investment</i>
Nation Business Partnership – Modified Equity:				
Ruby Rock Joint Venture - 50%	100	-	137,518	137,618
				2017
	<i>Investment cost</i>	<i>Loans / advances</i>	<i>Cumulative share of earnings (loss)</i>	<i>Total investment</i>
Wholly-owned Business:				
0830425 B.C. Ltd.	2	42,808	126,768	169,578

Yekooche First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2018

4. Investment in Nation business entities *(Continued from previous page)*

Summary financial information for the Nation business partnership, accounted for using the modified equity method, for its April 30, 2017 year end is as follows:

	<i>Ruby Rock Joint Venture As at April 30, 2017 (Unaudited)</i>
Assets	
Cash	4,725
Accounts receivable	4,988
Deposit	7,357
Due from related parties	238,091
Total assets	255,161
Liabilities	
Accounts payable	4,072
Total liabilities	4,072
Venturers' equity	251,089
Total revenue	370,053
Total expenses	351,294
Net income	18,759

5. Funds held in trust

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

	2018	2017
Revenue Trust		
Balance, beginning of year	17,393	16,527
Interest	398	540
BC Special	537	326
Balance, end of year	18,328	17,393

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*.

6. Deferred revenue

	2018	2017
Indigenous Services Canada - capital funding	57,699	57,699
Indigenous Services Canada - capital project ICMS 9-00126694	50,000	-
Indigenous Services Canada - capital project ICMS 9-00126999	18,000	-
Indigenous Services Canada - capital project CPMS 8611	224,815	-
External funding	20,000	43,948
	370,514	101,647

Yekooche First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2018

7. Term demand loans

	2018	2017
Royal Bank of Canada (Phase 1)		
- Interest at 2.64% per annum, compounded monthly		
- Monthly blended payments of \$3,951		
- Maturity date of April 1, 2021		
- Secured by Government of Canada ministerial guarantee		
- Loan is callable on demand	343,204	380,984
Royal Bank of Canada (Phase 2)		
- Interest at 3.29% per annum, compounded monthly		
- Monthly blended payments of \$3,531		
- Maturity date of January 1, 2023		
- Secured by Government of Canada ministerial guarantee		
- Loan is callable on demand	353,134	384,061
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	291,871	312,704
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	46,798	51,170
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	104,706	114,580
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	86,074	94,190
	1,225,787	1,337,689

Yekooche First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2018

7. 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:

2019	114,800
2020	117,686
2021	120,644
2022	123,677
2023	126,788
	<u>603,595</u>
Thereafter	<u>622,192</u>
	<u>1,225,787</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 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) the extended due date of September 22, 2022; 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.

9. Note payable

	2018	2017
Vendor take-back mortgage, non interest bearing, payable in annual instalments of \$50,000, secured by land with net book value of \$509,048, maturing December 2020	150,000	-

10. Contingent liabilities

Under the terms of agreements with Indigenous Services 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.

Yekooche First Nation

For the year ended March 31, 2018

11. Accumulated surplus

Accumulated surplus consists of the following:

	2018	2017
Equity in Ottawa Trust Fund	18,328	17,393
Deficit in operating fund	(6,035,327)	(5,586,845)
Equity in tangible capital assets	6,416,266	6,935,802
Internally restricted - capital	40,200	40,200
Investment in business entity	137,618	169,578
	577,085	1,576,128

12. Economic dependence

Yekooche First Nation receives a significant portion of its revenue from Indigenous Services Canada ("ISC") as a result of funding agreements entered into with the Government of Canada. These funding agreements are administered by ISC 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.

13. 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 July 13, 2017. 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 and Accumulated Surplus \$ (337,713)

Adjusted for:

Opening surplus as budgeted by Chief and Council	1,603,459
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Annual surplus as approved by Chief and Council	\$ 1,265,746
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Yekooche First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2018

14. Indigenous Services Canada ("ISC") funding reconciliation

	2018	2017
Direct band funding		
ISC revenue per confirmation	2,113,679	1,693,604
ISC recoveries from 2015/2016	-	(7,488)
ISC recoveries from 2016/2017	-	(16,643)
Prior year deferred capital funding recognized	-	99,599
Deferred revenue for capital projects	(292,815)	-
ISC revenue per financial statements	1,820,864	1,769,072

15. 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 Nation's land and resources.

Trust Fund

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

16. 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, 2018

	<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	9,607,152	1,676,111	5,158,577	3,900,429	141,287	20,680,890
Acquisition of tangible capital assets	-	31,764	-	-	-	-	31,764
Balance, end of year	197,334	9,638,916	1,676,111	5,158,577	3,900,429	141,287	20,712,654
Accumulated amortization							
Balance, beginning of year	193,061	6,261,790	975,146	2,095,746	2,825,370	124,231	12,475,344
Annual amortization	2,249	407,632	83,806	256,188	264,268	5,805	1,019,948
Balance, end of year	195,310	6,669,422	1,058,952	2,351,934	3,089,638	130,036	13,495,292
Net book value of tangible capital assets	2,024	2,969,494	617,159	2,806,643	810,791	11,251	7,217,362
2017 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

Yekooche First Nation
Schedule 1 - Consolidated Schedule of Tangible Capital Assets
For the year ended March 31, 2018

	<i>Subtotal</i>	<i>Automotive</i>	<i>Land</i>	<i>2018</i>	<i>2017</i>
Cost					
Balance, beginning of year	20,680,890	69,098	-	20,749,988	20,598,031
Acquisition of tangible capital assets	31,764	-	509,048	540,812	151,957
Balance, end of year	20,712,654	69,098	509,048	21,290,800	20,749,988
Accumulated amortization					
Balance, beginning of year	12,475,344	1,152	-	12,476,496	11,460,909
Annual amortization	1,019,948	2,304	-	1,022,252	1,015,587
Balance, end of year	13,495,292	3,456	-	13,498,748	12,476,496
Net book value of tangible capital assets	7,217,362	65,642	509,048	7,792,052	8,273,492
2017 Net book value of tangible capital assets	8,205,546	67,946	-	8,273,492	

Yekooche First Nation
Schedule 2 - Consolidated Schedule of Expenses by Object
For the year ended March 31, 2018

	2018 Budget (Note 13)	2018	2017
Consolidated expenses by object			
Administration fee (recovery)	20,755	(152,118)	6,498
Amortization	-	1,022,252	1,015,587
Consulting fees	283,250	290,019	245,122
Honoraria	68,150	39,600	38,659
Insurance	39,020	38,986	38,404
Interest and bank charges	5,100	8,021	5,608
Interest on long-term debt	150,000	34,904	35,386
Licenses and memberships	6,617	5,053	5,464
Loss on disposal of tangible capital assets	5,000	-	6,764
Meal program	54,023	59,155	52,832
Member services	25,000	20,520	16,141
Office	149,249	162,149	150,802
Other expenses	301,676	279,051	191,834
Professional fees	259,000	244,326	199,988
Rental	96,559	71,728	62,655
Repairs and maintenance	278,797	217,933	215,014
Social assistance	160,588	162,039	126,807
Sub-contracts	549,053	318,607	386,150
Supplies	182,954	99,703	90,596
Telephone	84,410	82,557	77,587
Training	35,924	25,871	29,304
Travel	296,736	267,451	244,999
Tuition and student expenses	13,700	12,655	17,632
Utilities	98,555	89,338	91,820
Wages and benefits	1,801,592	1,818,116	1,694,870
Workshops and meetings	33,150	22,806	30,246
	4,998,858	5,240,722	5,076,769

Yekooche First Nation
Administration

Schedule 3 - Consolidated Schedule of Revenue and Expenses
For the year ended March 31, 2018

	2018 Budget (Note 13)	2018	2017
Revenue			
Indigenous Services Canada	223,029	223,029	220,527
Other income	137,000	149,659	100,889
Interest income	16,000	15,895	12,200
Rental revenue	1,800	1,800	1,950
Resource industry revenue	-	-	50,000
	377,829	390,383	385,566
Expenses			
Administration fee (recovery)	(208,200)	(195,369)	(165,265)
Amortization	-	8,109	4,871
Honoraria	10,000	2,700	5,300
Insurance	1,200	208	-
Interest and bank charges	5,000	8,017	5,565
Licenses and memberships	1,200	659	540
Loss on disposal of tangible capital assets	5,000	-	-
Office	41,000	27,563	43,465
Other expenses	5,000	3,751	-
Professional fees	42,000	30,000	34,835
Rental	33,200	9,801	14,135
Repairs and maintenance	3,000	80	-
Sub-contracts	10,000	7,343	1,150
Supplies	20,800	835	7,779
Telephone	15,000	14,229	12,914
Training	-	-	1,574
Travel	8,000	21,381	12,235
Wages and benefits	329,404	431,336	347,038
Workshops and meetings	8,000	2,483	7,991
	329,604	373,126	334,127
Annual surplus	48,225	17,257	51,439

Yekooche First Nation
Social Development
Schedule 4 - Consolidated Schedule of Revenue and Expenses
For the year ended March 31, 2018

	2018 Budget (Note 13)	2018	2017
Revenue			
Indigenous Services Canada	225,128	225,128	266,508
Other income	64,817	75,850	79,525
First Nation Health Authority	71,841	71,841	91,096
Province of British Columbia	61,647	60,813	55,223
	423,433	433,632	492,352
Expenses			
Administration fee	21,578	21,578	28,690
Honoraria	1,000	1,000	80
Insurance	220	220	-
Licenses and memberships	817	95	-
Meal program	15,433	15,433	44,376
Member services	10,000	6,712	6,513
Office	20,100	18,150	24,253
Other expenses	10,333	10,201	17,576
Rental	10,800	11,900	18,457
Repairs and maintenance	500	116	-
Social assistance	160,588	162,039	126,807
Sub-contracts	1,000	75	3,770
Supplies	3,900	2,761	7,927
Telephone	2,950	2,940	3,600
Training	1,500	558	3,761
Travel	14,000	9,121	14,116
Wages and benefits	188,767	187,618	178,471
Workshops and meetings	-	-	1,724
	463,486	450,517	480,121
Annual surplus (deficit) before transfers	(40,053)	(16,885)	12,231
Transfers between programs	10,000	10,000	10,000
Annual surplus (deficit)	(30,053)	(6,885)	22,231

Yekooche First Nation
Education

Schedule 5 - Consolidated Schedule of Revenue and Expenses
For the year ended March 31, 2018

	2018 Budget (Note 13)	2018	2017
Revenue			
Indigenous Services Canada	886,492	884,722	732,352
First Nation Education Steering Committee	363,039	395,797	318,241
Other income	122,810	120,929	71,159
PG Nechako Aboriginal Employment and Training Association	39,469	48,223	70,928
Carrier Sekani Family Services	13,354	13,354	4,000
Province of British Columbia	-	-	51,734
	1,425,164	1,463,025	1,248,414
Expenses			
Administration fee	121,417	105,908	71,264
Honoraria	6,200	4,450	4,200
Meal program	32,590	38,015	8,456
Office	24,900	21,876	2,729
Other expenses	260,000	247,749	164,396
Professional fees	-	-	2,142
Rental	13,947	14,363	8,295
Repairs and maintenance	180,797	180,797	167,562
Sub-contracts	42,193	35,959	68,930
Supplies	66,876	43,222	15,551
Telephone	32,400	32,400	24,000
Training	34,224	24,002	23,829
Travel	76,742	66,977	82,481
Tuition and student expenses	4,200	4,895	14,463
Wages and benefits	645,990	631,772	588,083
Workshops and meetings	5,950	4,238	5,900
	1,548,426	1,456,623	1,252,281
Annual surplus (deficit)	(123,262)	6,402	(3,867)

Yekooche First Nation
Capital

Schedule 6 - Consolidated Schedule of Revenue and Expenses
For the year ended March 31, 2018

	<i>2018 Budget (Note 13)</i>	<i>2018</i>	<i>2017</i>
Revenue			
Indigenous Services Canada	280,440	37,625	171,810
Expenses			
Administration fee	765	765	1,761
Amortization	-	1,011,894	1,008,467
Sub-contracts	231,767	18,948	82,763
Supplies (recovery)	16,360	(180)	-
Travel	9,100	-	-
Wages and benefits	15,000	-	-
	272,992	1,031,427	1,092,991
Annual surplus (deficit)	7,448	(993,802)	(921,181)

Yekooche First Nation
Economic Development
Schedule 7 - Consolidated Schedule of Revenue and Expenses
For the year ended March 31, 2018

	<i>2018 Budget (Note 13)</i>	<i>2018</i>	<i>2017</i>
Revenue			
Province of British Columbia	168,718	168,718	88,718
Other income	7,150	122,521	144,182
Indigenous Services Canada	62,095	62,095	52,089
Resource industry revenue	1,000	45,225	35,793
Earnings from investment in First Nation business entities	-	11,255	-
	238,963	409,814	320,782
Expenses			
Administration fee	26,272	(142,223)	20,681
Consulting fees	20,000	37,648	50,942
Honoraria	2,400	1,500	1,300
Insurance	500	166	32
Interest and bank charges	100	4	43
Licenses and memberships	4,000	3,950	-
Member services	10,000	10,128	9,088
Office	3,000	3,000	-
Other expenses	600	425	-
Professional fees	10,000	11,326	-
Rental	6,000	6,000	10,500
Repairs and maintenance	6,000	4,057	1,797
Sub-contracts	32,000	17,714	-
Supplies	3,000	248	4,637
Telephone	1,080	1,080	2,280
Travel	17,724	14,653	16,888
Utilities	1,000	60	120
Wages and benefits	108,317	111,143	155,443
Workshops and meetings	3,000	911	823
	254,993	81,790	274,574
Annual surplus (deficit) before transfers	(16,030)	328,024	46,208
Transfers between programs	(22,500)	(22,500)	(10,000)
Annual surplus (deficit)	(38,530)	305,524	36,208

Yekooche First Nation
Operations and Maintenance
Schedule 8 - Consolidated Schedule of Revenue and Expenses
For the year ended March 31, 2018

	2018 Budget (Note 13)	2018	2017
Revenue			
Other income	387,000	358,773	384,582
Rental revenue	164,000	167,258	185,195
Indigenous Services Canada	186,401	136,401	135,789
Carrier Sekani Family Services	-	5,000	-
First Nation Education Steering Committee	-	-	10,000
	737,401	667,432	715,566
Expenses			
Administration fee	15,700	14,000	12,000
Insurance	37,100	38,392	38,372
Interest on long-term debt	150,000	34,904	35,386
Loss on disposal of tangible capital assets	-	-	6,764
Office	44,000	75,419	63,447
Other expenses	2,300	1,505	566
Rental	23,700	20,753	8,267
Repairs and maintenance	88,500	32,883	45,655
Sub-contracts	154,968	163,119	199,009
Supplies	38,200	19,485	23,402
Telephone	26,500	25,429	31,193
Training	-	-	24
Travel	9,800	3,842	5,394
Utilities	97,555	89,278	91,700
Wages and benefits	133,794	91,956	69,257
Workshops and meetings	-	-	2,000
	822,117	610,965	632,436
Annual surplus (deficit) before transfers	(84,716)	56,467	83,130
Transfers between programs	12,500	12,500	-
Annual surplus (deficit)	(72,216)	68,967	83,130

**Yekooche First Nation
Health**

Schedule 9 - Consolidated Schedule of Revenue and Expenses

For the year ended March 31, 2018

	2018 Budget (Note 13)	2018	2017
Revenue			
Carrier Sekani Family Services	214,122	216,760	209,809
First Nation Health Authority	35,678	33,394	23,685
Other income	20,350	21,873	38,763
First Nation Education Steering Committee	400	400	5,147
	270,550	272,427	277,404
Expenses			
Administration fee	26,016	26,016	22,193
Honoraria	1,300	600	3,149
Licenses and memberships	600	349	4,924
Meal program	6,000	5,707	-
Member services	5,000	3,680	540
Office	50	28	820
Other expenses	23,443	15,421	9,296
Supplies	23,775	22,597	26,416
Telephone	1,800	1,800	-
Training	200	219	115
Travel	32,335	28,838	31,084
Tuition and student expenses	9,500	7,759	3,170
Wages and benefits	171,282	171,037	165,169
Workshops and meetings	3,000	1,975	4,289
	304,301	286,026	271,165
Annual surplus (deficit)	(33,751)	(13,599)	6,239

Yekooche First Nation
Treaty

Schedule 10 - Consolidated Schedule of Revenue and Expenses
For the year ended March 31, 2018

	2018 Budget (Note 13)	2018	2017
Revenue			
Indigenous Services Canada	592,864	251,864	189,998
British Columbia Treaty Commission	249,000	249,000	194,240
Province of British Columbia	50,000	50,000	70,000
Other income	-	-	1,237
	891,864	550,864	455,475
Expenses			
Administration fee	15,232	15,232	13,575
Consulting fees	263,250	252,371	194,180
Honoraria	47,250	29,350	24,630
Office	16,200	16,111	16,085
Professional fees	207,000	203,000	163,011
Rental	5,912	5,912	3,000
Sub-contracts	77,125	75,450	30,529
Supplies	10,043	10,519	4,884
Telephone	3,600	3,600	3,600
Training	-	1,092	-
Travel	124,034	117,272	77,175
Wages and benefits	202,638	186,768	184,912
Workshops and meetings	13,200	13,200	7,520
	985,484	929,877	723,101
Annual deficit	(93,620)	(379,013)	(267,626)

Yekooche First Nation
Natural Resources

Schedule 11 - Consolidated Schedule of Revenue and Expenses
For the year ended March 31, 2018

	<i>2018 Budget (Note 13)</i>	<i>2018</i>	<i>2017</i>
Revenue			
Other income	8,500	8,543	10,665
Department of Fisheries and Oceans Canada	7,000	7,000	7,000
	15,500	15,543	17,665
Expenses			
Administration fee	1,975	1,975	1,600
Amortization	-	2,249	2,249
Rental	3,000	3,000	-
Supplies	-	215	-
Telephone	1,080	1,080	-
Travel	5,000	5,366	5,626
Wages and benefits	6,400	6,486	6,498
	17,455	20,371	15,973
Annual surplus (deficit)	(1,955)	(4,828)	1,692

Yekooche First Nation
Trust Fund

Schedule 12 - Consolidated Schedule of Revenue and Expenses
For the year ended March 31, 2018

	<i>2018 Budget (Note 13)</i>	<i>2018</i>	<i>2017</i>
Revenue			
Interest income	-	935	866
Annual surplus	-	935	866