Taku River Tlingit First Nation

Financial Statements

March 31, 2014

Taku River Tlingit First Nation

Financial Statements

March 31, 2014 **Page**

Management's Responsibility for Financial Reporting	2
Auditors' Report	3 - 4
Financial Statements	
Statement of Financial Position	5
Statement of Changes in Net Financial Assets	6
Statement of Operations and Accumulated Surplus	7
Statement of Cash Flows	8
Notes to Financial Statements	9 - 24

Taku River Tlingit First Nation

Management's Responsibility for Financial Reporting

March 31, 2014

The accompanying financial statements are the responsibility of management. The financial statements have been prepared by management in accordance with Canadian Public Sector Accounting Standards and necessarily include estimates which are based on management's best judgements.

Management is also responsible for implementing and maintaining a system of internal controls designed to give reasonable assurance that transactions are appropriately authorized, assets are safeguarded from loss and financial records are properly maintained to provide reliable information for the preparation of financial statements.

The Clan Directors are responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control. The financial statements have been reviewed and approved by the Spokesperson and Clan Directors.

Crowe MacKay LLP, an independent firm of Chartered Accountants, has been engaged to examine the financial statements in accordance with Canadian generally accepted auditing standards. Their report stating the scope of their examination and opinion on the financial statements, follows.

Clan Spokesperson	Date
Wolf Clan Director	Date
Wolf Clan Director	July 23/14 Date
Crow Clan Director	JULY 23/14 Date
Crow Clan Director	Date

Crowe MacKay™

Independent Auditors' Report

To the Members of
Taku River Tlingit First Nation

We have audited the accompanying financial statements of the Taku River Tlingit First Nation ("First Nation"), which comprises the statement of financial position as at March 31, 2014 and the statements of operations and accumulated surplus, changes in net financial assets, and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

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

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

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

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

Basis for Qualified Opinion
Under Canadian public sector accounting standards, the First Nation is required to estimate the cost and accumulated amortization of the tangible capital assets. However, no valuation of the tangible capital assets was available at March 31, 2014. The balances of tangible capital assets shown in the financial statements are based on historical records and have not been updated. As a result, we were unable to determine whether adjustments were required to the asset value shown of $10,580,325, accumulated surplus and expenses.

The First Nation is the sole shareholder of Taku Wild Products Ltd. Audited financial information for this investment was not available. As a result, we were unable to determine whether adjustments were required to the investment value of $101,275, accumulated surplus and revenues.

Qualified Opinion
Except as noted in the above paragraphs, in our opinion, these financial statements present fairly, in all material respects, the financial position of the Taku River Tlingit First Nation as at March 31, 2014 and the results of its operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards for local governments.

Other Matter
The deferred revenue balance of $146,750 relates to funds received for the Big House - Heritage Centre project. Management believes that this balance has existed for over 10 years and is currently considering how it will be used.

Whitehorse, Canada
July 23, 2014

Crowe MacKay LLP
Chartered Accountants

Taku River Tlingit First Nation

Statement of Financial Position

March 31	2014	2013
Financial Assets		
Cash	$ 450,561	$ 368,469
Accounts receivable (Note 3)	162,530	119,841
Contributions receivable (Note 4)	537,785	1,655,789
CMHC subsidy receivable	12,918	12,918
Investments in corporations (Note 5)	1,954,654	2,015,259
Due from related parties (Note 6)	5,357,505	3,777,699
Restricted cash (Note 7)	605,687	307,581
Trust funds	188,261	182,668
	9,269,901	8,440,224
Liabilities		
Accounts payable and accrued liabilities (Note 8)	1,399,846	2,168,832
Current portion of long-term debt (Note 10)	265,667	104,614
Replacement reserve (Note 7)	324,969	307,945
Deferred revenue (Note 9)	146,750	190,386
Long-term debt (Note 10)	2,806,800	1,409,963
	4,944,032	4,181,740
Net financial assets	4,325,869	4,258,484
Non-financial Assets		
Capital assets (Note 11)	10,580,335	11,082,836
Prepaid expenses	19,505	8,195
	10,599,840	11,091,031
Accumulated Surplus (Note 12)	$ 14,925,709	$ 15,349,515

Approved on behalf of the Taku River Tlingit First Nation

________, **Clan Spokesperson**

________, **Wolf Clan Director**

________, **Wolf Clan Director**

________, **Crow Clan Director**

________, **Crow Clan Director**

Taku River Tlingit First Nation

Statement of Changes in Net Financial Assets

For the year ended March 31	2014	2013
Annual surplus (deficit)	**$ (423,806)**	$ (698,235)
Acquisition of tangible capital assets	**(180,821)**	(347,595)
Amortization of tangible capital assets	**683,324**	729,262
	502,503	381,667
Use of prepaid asset	**(11,312)**	(1,053)
Increase (decrease) in net financial assets	**67,385**	(317,621)
Net financial assets, beginning of year	**4,258,484**	4,576,105
Net financial assets, end of year	**$ 4,325,869**	$ 4,258,484

Taku River Tlingit First Nation

Statement of Operations and Accumulated Surplus

For the year ended March 31	2014	2013
Revenue		
Aboriginal Affairs and Northern Development Canada	$ 2,544,701	$ 2,738,892
Province of British Columbia	1,009,928	1,092,177
Government of Canada	226,084	463,639
Administration fees (Note 16)	345,566	458,754
Other revenue (Note 14)	952,800	430,909
Rental Income	405,662	401,348
Health Canada	413,682	396,716
Fisheries and Oceans Canada	339,084	381,265
B.C. Treaty Commission	368,550	301,700
Investments (Note 5)	(60,603)	(184,447)
	6,545,454	6,480,953
Expenses		
Capital	677,155	518,637
Economic Development	159,138	178,887
Fisheries	344,825	421,071
Governance and administration	1,591,291	1,702,628
Health and social	2,856,199	2,926,121
Lands	762,253	779,956
Operations, maintenance and housing	578,399	651,888
	6,969,260	7,179,188
Annual deficit	(423,806)	(698,235)
Accumulated surplus, beginning of year	15,349,515	16,047,750
Accumulated surplus, end of year	$ 14,925,709	$ 15,349,515

Taku River Tlingit First Nation

Statement of Cash Flows

For the year ended March 31	2014	2013
Cash flows from		
Operating activities		
Annual deficit	$ (423,806)	$ (698,235)
Items not affecting cash		
Amortization	683,324	729,262
Loss from corporations	60,605	184,447
	320,123	215,474
Change in non-cash operating working capital		
Accounts receivable	(42,689)	(40,752)
Contributions receivable	1,118,004	268,903
CMHC subsidy receivable	-	342
Due from related parties	(1,579,806)	80,000
Prepaid expenses	(11,310)	(1,053)
Accounts payable and accrued liabilities	(768,986)	540,435
Deferred revenue	(43,636)	(413,632)
	(1,008,300)	649,717
Capital activities		
Additions to replacement reserve	17,024	30,987
Capital asset purchases (net of grants)	(180,821)	(347,595)
Additions to restricted cash	(298,106)	(88,802)
	(461,903)	(405,410)
Financing activities		
Repayment of long-term debt	(242,109)	(113,056)
Additions to long-term debt	1,800,000	-
Trust funds	(5,598)	(5,331)
	1,552,293	(118,387)
Increase in cash and cash equivalents	82,090	125,920
Cash and cash equivalents, beginning of year	368,471	242,551
Cash and cash equivalents, end of year	$ 450,561	$ 368,471

1. Significant accounting policies

These financial statements are prepared in accordance with Canadian generally accepted accounting principles for governments as recommended by the Public Sector Accounting Board (PSAB) of the Canadian Institute of Chartered Accountants.

(a) Basis of presentation

The summary financial statements reflect all revenues, expenditures, assets and liabilities of the Taku River Tlingit First Nation (the "First Nation").

(b) Cash

Cash and cash equivalents include cash on hand and short-term investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, net of bank overdrafts.

(c) Use of estimates

The preparation of financial statements in conformity with Canadian Public Sector Accounting Standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

(d) Capital assets

Capital asset expenditures are valued at acquisition cost. Capital assets are amortized on the straight-line basis over the following lives with one half of the annual amortization recognized in the year of acquisition.

Office furniture and computer equipment	5 years
Small equipment	5 years
Small vehicles	5 years
Equipment	10 years
Vehicles	10 years
Houses (including CMHC houses)	25 years
Buildings	25 years
Water and sewer	40 years
Roads	40 years

(e) Restricted cash - replacement reserves

The funding agency, Canada Mortgage and Housing Corporation ("CMHC") requires funds to be set aside for the replacement of worn out capital equipment. The required annual contribution to this reserve for 2014 is $4,215 for Pre-1998 CMHC subsidized projects and $22,460 for the Post-1997 CMHC subsidized projects. The funds for both CMHC programs are maintained in a single, separate bank account. TRTFN was authorized to use $13,120 from the replacement reserve during the fiscal year.

1. Significant accounting policies (continued)

(f) Revenue recognition

Government funding is recognized as revenue when it becomes receivable under the terms of the applicable funding agreements. Funding received under the funding agreements relating to a subsequent fiscal period is reflected as deferred revenue in the year of receipt.

Treaty negotiations advances are recorded as revenue in the year in which the funds are received.

Income from investments is recorded on an accrual basis.

(g) Financial instruments

All significant financial assets, financial liabilities and equity instruments of the entity are either recognized or disclosed in the financial statements together with other information relevant for making a reasonable assessment of future cash flows, interest rate risk and credit risk.

(h) Treaty Negotiations Funding

The First Nation receives funding from Aboriginal Affairs and Northern Development Canada for the research, development and negotiation of land claims. Under the terms of the funding agreement, these advances are to be repaid by the First Nation out of their final land claims settlement or upon specified future dates, whichever is sooner. Since these advances represent funding for activities that were performed by the First Nation, they have been treated as revenue on the Statement of Operations, and Accumulated Surplus.

Total advances to March 31, 2014 are $6,940,942 (2013: $6,572,392), of which $5,518,554 (2013: $5,241,914) are loans from the British Columbia Treaty Commission.

(i) Investments

The First Nation's investments in wholly-owned subsidiaries are accounted for on the modified equity basis.

(j) Surplus

Unexpended items of revenue are treated as surplus until such time as the relevant project is complete. Unexpended funds which are to be returned to the funder are treated as deferred revenue.

2. Segmented information

The PSAB requirements include disclosure about each of a government's segments. Requirements are that the government disclose the basis for identifying segments, the nature of the segments and the method of significant allocations to segments. Disclosure is made of segment expense by major object or category and segment revenue by source and type.

The First Nation provides a wide range of services to its citizens. For management reporting purposes, the First Nation's operations and activities are organized and reported by department.

There are seven departments and investments which are shown under Expenditures on the Statement of Operations.

Each segment is headed by a department head except for Governance and Administration (headed by Spokesperson and Clan directors). The Investments are managed separately.

Segments

1. **Governance and administration**: Oversees the general operation of the First Nation as well as inter-governmental relations, policy development and legislation.

2. **Health and social**: Provides health services and social assistance to the First Nation citizens.

3. **Lands**: Responsible for managing the lands in the First Nation's traditional territory.

4. **Operations, maintenance and housing:** Provides water, sewer, roads and housing for the First Nation.

5. **Capital**: Responsible for the various construction projects managed by the First Nation.

6. ***Economic development:*** *Responsible for supporting economic opportunities for the First Nation.*

7. **Fisheries**: Responsible for managing the fisheries in the First Nation's traditional territory.

8. **Investments in Corporations**: Investments in Atlin Tlingit Economic Limited Partnership, Taku Wild Products Ltd, and Xeitl Limited Partnership.

2. Segmented Information (continued)

	Capital	Economic Development	Fisheries	Governance and Administration	Health and Social	Lands	Operations, Maintenance and Housing	Investment in corporations	2014 Total
Revenue									
Administration fee and surcharge	-	-	-	345,566	-	-	-	-	345,566
BC Treaty Commission	-	-	-	-	-	368,550	-	-	368,550
Fisheries and Oceans Canada	-	-	339,084	-	-	-	-	-	339,084
Government of Canada	-	-	-	-	226,084	-	-	-	226,084
Health Canada	-	-	-	-	413,682	-	-	-	413,682
AANDC	421,193	80,475	(6,139)	421,291	1,017,181	130,000	480,700	-	2,544,701
Other revenue	-	363,562	31,370	226,679	257,674	72,315	1,200	-	952,800
Province of British Columbia	-	-	-	-	744,959	264,969	-	-	1,009,928
Rental income	320,480	-	-	-	-	-	85,182	-	405,662
Investments	-	-	-	-	-	-	-	(60,603)	(60,603)
Total revenues	741,673	444,037	364,315	993,536	2,659,580	835,834	567,082	(60,603)	6,545,454
Expenses									
Administration	-	13,788	4,844	6,554	185,016	83,870	-	-	294,072
Amortization	-	-	-	683,324	-	-	-	-	683,324
Contracts and construction	166,322	2,236	10,286	12,312	212,236	150,998	82,108	-	636,498
Honoraria	-	-	3,000	83,854	43,113	46,383	5,790	-	182,140
Interest on long-term debt	41,299	-	-	-	-	-	-	-	41,299
Materials and supplies	76,704	-	15,315	53,121	105,569	1,381	61,687	-	313,777
Office	15,242	2,285	5,341	48,955	47,962	2,499	71,432	-	193,716
Other	8,630	12,594	771	32,950	190,552	42,587	10,198	-	298,282
Professional fees and consultants	8,000	1,000	47,503	97,341	298,928	106,261	-	-	559,033
Rent and utilities	23,526	3,750	-	35,336	13,610	1,331	137,168	-	214,721
Repairs and maintenance	83,022	-	4,699	-	2,080	-	43,912	-	133,713
Social assistance	-	-	-	-	158,328	-	-	-	158,328
Student support	-	-	-	-	653,029	-	-	-	653,029
Training, workshop and meetings	5,792	40,690	1,122	13,463	129,176	21,484	10,308	-	222,035
Travel	10,786	4,801	25,722	26,313	145,232	18,194	9,384	-	240,432
Wages and benefits	237,832	77,994	226,222	497,768	671,368	287,265	146,412	-	2,144,861
Total expenses	677,155	159,138	344,825	1,591,291	2,856,199	762,253	578,399	-	6,969,260
Operating surplus (deficit)	64,518	284,899	19,490	(597,755)	(196,619)	73,581	(11,317)	(60,603)	(423,806)

Taku River Tlingit First Nation

Notes to Financial Statements

March 31, 2014

Year ended March 31, 2013	Capital	Economic Development	Fisheries	Governance and Administration	Health and Social	Lands	Operations, Maintenance and Housing	Investment in corporations	2013 Total
Revenue									
Administration fee and surcharge	-	-	-	373,478	-	-	85,278	-	458,756
BC Treaty Commission	-	-	-	-	-	301,700	-	-	301,700
Fisheries and Oceans Canada	-	36,349	344,916	-	-	-	-	-	381,265
Government of Canada	-	-	-	-	463,639	-	-	-	463,639
Health Canada	-	-	-	-	396,716	-	-	-	396,716
AANDC	506,785	71,176	-	398,228	1,122,437	30,526	609,740	-	2,738,892
Other revenue	-	59,738	33,865	10,383	242,947	74,669	9,300	-	430,902
Province of British Columbia	-	-	5,860	25,000	683,737	377,580	-	-	1,092,177
Rental income	320,884	-	-	-	-	-	80,469	-	401,353
Investments	-	-	-	-	-	-	-	(184,447)	(184,447)
Total revenues	827,669	167,263	384,641	807,089	2,909,476	784,475	784,787	(184,447)	6,480,953
Expenses									
Administration	20,000	10,791	8,182	2,806	204,222	76,740	1,000	-	323,741
Amortization	-	-	-	729,262	-	-	-	-	729,262
Contracts and construction	133,464	33,257	28,261	93,957	273,490	221,368	94,654	-	878,451
Honoraria	-	-	4,725	64,117	26,435	35,655	2,563	-	133,495
Interest on long-term debt	40,610	-	-	-	-	-	-	-	40,610
Materials and supplies	52,997	-	52,522	47,423	87,426	73	52,950	-	293,391
Office	16,280	490	5,249	44,105	24,796	5,301	43,805	-	140,026
Other	5,754	1,176	2,827	20,831	196,461	75,128	94,535	-	396,712
Professional fees and consultants	8,000	-	53,306	110,470	187,951	104,170	-	-	463,897
Rent and utilities	21,372	271	11,580	56,075	14,676	1,864	112,917	-	218,755
Repairs and maintenance	53,884	-	30,282	-	5,982	-	40,829	-	130,977
Social assistance	-	-	-	-	136,814	-	-	-	136,814
Student support	-	-	-	-	616,174	-	-	-	616,174
Training, workshops and meetings	3,778	68,470	5,165	137,058	259,665	5,133	7,156	-	486,425
Travel	7,097	2,945	5,027	21,319	126,348	38,475	13,954	-	215,165
Wages and benefits	155,401	61,487	213,945	375,205	765,681	216,049	187,525	-	1,975,293
Total expenses	518,637	178,887	421,071	1,702,628	2,926,121	779,956	651,888	-	7,179,188
Operating surplus (deficit)	309,032	(11,624)	(36,430)	(895,539)	(16,645)	4,519	132,899	(184,447)	(698,235)

3. Accounts receivable

	2014	2013
Accounts receivable	**$ 23,540**	$ 4,138
GST receivable	**19,600**	28,000
Rent receivable	**232,179**	135,549
Allowance for doubtful accounts	**(112,789)**	(47,846)
	$ 162,530	$ 119,841

4. Contributions receivable

	2014	2013
Department of Fisheries and Oceans Canada	**$ 243,000**	$ 64,033
Aboriginal Affairs and Northern Development Canada	**231,250**	921,373
Province of British Columbia	**24,149**	312,015
Tribal Resources Investment Corporation	**20,835**	33,327
Heritage Canada	**18,551**	18,551
Human Resources and Skills Development Canada	**-**	162,000
First Nations and Inuit Health Canada	**-**	135,540
Other	**-**	8,950
	$ 537,785	$ 1,655,789

5. Investments in corporations

Investment in Xeitl Limited Partnership ("Xeitl")

	2014	2013
Investment in Xeitl Limited Partnership, opening	**$ 1,386,861**	$ 1,477,010
Add: Net income for the year	**34,325**	128,276
Less: Adjustment	**-**	(218,425)
Investment in Xeitl Limited Partnership, ending	**$ 1,421,186**	$ 1,386,861

Xeitl has a year end of March 31, 2014 and is 99.99% owned directly by the First Nation. The investment in the current year is accounted for on the modified equity basis. The fair value of this investment cannot be readily determined. The adjustment made in the 2013 fiscal year was to agree the value of the investment with the partners' equity of Xeitl and results from changes in the equity (arising from conversion to International Financial Reporting Standards) recorded in Xeitl after the First Nation's March 31, 2012 financial statements were issued.

5. Investments in corporations, continued

Investment in Atlin Tlingit Economic Limited Partnership ("ATELP")

	2014	2013
Investment in Atlin Tlingit Economic Limited Partnership, opening	**$ 465,000**	$ 574,881
Add: Net income (loss) for the year	**(32,807)**	187,638
Less: Adjustment	**-**	(297,519)
Investment in Atlin Tlingit Economic Limited Partnership, ending	**$ 432,193**	$ 465,000

ATELP has a year end of March 31, 2014 and is 99.99% owned directly by the First Nation. The investment is accounted for on the modified equity basis. The fair value of this investment cannot be readily determined. The adjustment made in the 2013 fiscal year was to agree the value of the investment with the partners' equity of Xeitl and results from changes in the equity (arising from conversion to International Financial Reporting Standards) recorded in Xeitl after the First Nation's March 31, 2012 financial statements were issued.

Investment in Taku Wild Products Ltd.

	2014 (unaudited)	2013 (unaudited)
Investment in Taku Wild Products Ltd, opening	**$ 163,398**	$ 147,815
Add: Net income (loss) for the year	**(62,123)**	15,583
Investment in Taku Wild Products Ltd, ending	**$ 101,275**	$ 163,398

Taku Wild Products Ltd. has a year end of March 31, 2014 and is wholly-owned by Taku River Tlingit First Nation. The investment is accounted for on the modified equity basis. The fair value of this investment cannot be readily determined.

Investment in Taku Land Corporation

	2014	2013
Investment in Taku Land Corporation	**$ 1**	$ 1

Investment in Atlin Power Ltd.

	2014	2013
Investment in Atlin Power Ltd.	**$ 1**	$ 1

6. Due from related parties

	2014	2013
Atlin Tlingit Economic Limited Partnership	**$ 119,317**	$ 119,317
Taku Land Corporation	**212,679**	212,679
Xeitl LLP	**5,025,509**	3,445,703
Total	**$ 5,357,505**	$ 3,777,699

The amounts due from related parties are unsecured, non-interest bearing and have no fixed terms of repayment.

7. Restricted cash

	2014	2013
Pre-1998 CMHC subsidized projects - replacement reserve	**$ 91,762**	$ 86,240
Post-1997 CMHC subsidized projects - replacement reserve	**233,174**	221,341
CMHC Replacement reserve - overfunded	**15,623**	-
Forest Range Opportunities (FRO) and Revenue Sharing	**263,766**	-
Legacy Fund	**1,362**	-
	$ 605,687	$ 307,581

The amount required by CMHC to be held in reserve, $324,936 (2013 - $307,913) is overfunded by $15,623 (2013 - underfunded by $332).

A separate bank account was set up in the year to collect all monies from FRO and revenue sharing agreements. The amount of $263,766 (2013 - nil) is internally restricted.

A Legacy Fund was set up in the year whereby fees are collected on a voluntary basis from placer miners using TRTFN traditional lands, to be used to reclaim old abandoned mining sites. The amount of $1,362 (2013 - nil) is internally restricted.

8. Accounts payable and accrued liabilities

The First Nation has committed to contribute $1,000,000 to the Tlatsini Endowment Fund to support implementation of a Government to Government agreement with the Government of British Columbia, the Atlin Taku Land Use Plan and other stewardship initiatives. The commitment will be used to support a fundraising goal of an additional $3,500,000 by the Endowment Fund.

In 2012, the First Nation committed to access $400,000 from its wholly-owned subsidiary, Xeitl Limited Partnership, over a five year period ($80,000 per year) to pay a portion of the contribution.

To date, two payments of $80,000 have been received from Xeitl. These amounts have been paid towards the Tlatsini Endowment Fund.

	2014	2013
Payable to Tlatsini Endowment Fund	**$ 840,000**	$ 1,000,000
Accounts payable	**311,679**	941,560
Accrued liabilities and payroll	**203,957**	189,697
Vacation payable	**18,737**	17,366
Damage deposits	**17,880**	16,230
Other	**7,593**	3,979
	$ 1,399,846	$ 2,168,832

9. Deferred revenue

	2014	2013
Funds received for the construction of a Big House - Heritage Center	**146,750**	146,750
T'Akhu A Tlen Conservancy	**-**	43,636
	$ 146,750	$ 190,386

10. Long-term debt

	2014	2013
Old Projects: Pre 1998		
Canada Mortgage and Housing Corporation (CMHC) mortgage #09224601, repayable in blended monthly instalments of $567, including interest at 5.19%, due December 1, 2016.	**$ 17,577**	$ 23,245
CMHC mortgage #09224320008, repayable in blended monthly payments of $1,200, including interest at 1.92%, due January 1, 2019.	**66,629**	79,581
New Projects: Post 1997		
CMHC mortgage #15789688004, repayable in blended monthly instalments of $259, including interest at 1.67%, due March 1, 2023.	**26,049**	28,612
CMHC mortgage #15789688003, repayable in blended monthly instalments of $1,816, including interest at 2.76%, due February 1, 2025.	**206,387**	221,828
CMHC mortgage #15789688001, repayable in monthly instalments of $2,003, including interest at 2.76%, due February 1, 2025.	**227,639**	244,670
CMHC mortgage #15789688002, repayable in blended monthly instalments of $1,760, including interest at 2.76%, due February 1, 2025.	**199,949**	214,909
CMHC mortgage #14789688005, repayable in blended monthly monthly instalments of $1,866, including interest at 2.65%, due April 1, 2026.	**232,628**	248,173
CMHC mortgage #15789688007, repayable in blended monthly instalments of $616, including interest at 2.76%, due May 1, 2030.	**96,856**	101,305
CMHC mortgage #15789688006, repayable in blended monthly instalments of $588, including interest at 2.76%, due May 1, 2030.	**91,866**	96,111
CMHC mortgage, repayable in blended monthly instalments of $878, including interest at 2.23%, due June 1, 2034.	**172,356**	178,676
CMHC mortgage, repayable in blended monthly instalments of $381, including interest at 2.23%, due June 1, 2034.	**74,726**	77,467
Non-revolving demand loan on behalf of Xeitl Limited Partnership ("Xeitl"), repayable in blended monthly instalments of $17,800, including interest at the lender's prime rate plus 0.50%, due April 1, 2023, guaranteed by Xeitl.	**1,659,805**	-
	3,072,467	1,514,577
Current portion	**265,667**	104,614

10. Long-term debt, continued

	2014	2013
	$ 2,806,800	$ 1,409,963

Principal portion of long-term debt due within the next five years:

2015	$ 265,667
2016	274,218
2017	276,760
2018	285,156
2019 and thereafter	1,970,666
	$ 3,072,467

11. Tangible capital assets

	2014 Cost			2014 Accumulated amortization			
	Balance, beginning of year	Additions	Balance, end of year	Balance, beginning of year	Amortization	Balance, end of year	**2014 net book value**
CMHC Housing	3,044,102	-	3,044,102	1,372,126	105,275	1,477,401	1,566,701
Administration	357,536	-	357,536	357,536	-	357,536	-
Equipment (5 years)	690,270	15,197	705,467	685,863	4,407	690,270	15,197
Equipment (10 years)	1,302,527	29,600	1,332,127	853,928	134,693	988,621	343,506
Vehicles (5 years)	67,140	-	67,140	67,140	-	67,140	-
Vehicles (10 years)	608,980	-	608,980	608,980	-	608,980	-
TRT Houses	907,173	124,281	1,031,454	539,583	43,744	583,327	448,127
Buildings	5,648,098	11,744	5,659,842	1,749,769	226,629	1,976,398	3,683,444
Water/sewer	4,468,573	-	4,468,573	624,832	111,714	736,546	3,732,027
Roads	2,274,445	-	2,274,445	1,426,251	56,861	1,483,112	791,333
	19,368,844	180,822	19,549,666	8,286,008	683,323	8,969,331	10,580,335

	2013 Cost			2013 Accumulated amortization			
	Balance, beginning of year	Additions	Balance, end of year	Balance, beginning of year	Amortization	Balance, end of year	2013 Net book value
CMHC Housing	3,044,102	-	3,044,102	1,259,609	112,517	1,372,126	1,671,976
Administration	357,536	-	357,536	357,536	-	357,536	-
Equipment (5 years)	685,863	4,407	690,270	677,088	8,775	685,863	4,407
Equipment (10 years)	1,291,977	10,550	1,302,527	723,148	130,780	853,928	448,599
Vehicles (5 years)	67,140	-	67,140	67,140	-	67,140	-
Vehicles (10 years)	608,980	-	608,980	569,154	39,826	608,980	-
TRT Houses	907,173	-	907,173	503,296	36,287	539,583	367,590
Buildings	5,325,460	322,638	5,648,098	1,517,392	232,377	1,749,769	3,898,329
Water/sewer	4,468,573	-	4,468,573	513,118	111,714	624,832	3,843,741
Roads	2,264,445	10,000	2,274,445	1,369,265	56,986	1,426,251	848,194
	19,021,249	347,595	19,368,844	7,556,746	729,262	8,286,008	11,082,836

12. Accumulated surplus

	2014	2013
Operating surplus	**$ 3,664,200**	$ 3,766,007
Capital equity surplus	**9,307,855**	9,568,249
Investments surplus	**1,954,654**	2,015,259
	$ 14,926,709	$ 15,349,515

a) Operating surplus

	2014	2013
Balance, beginning of the year	**$ 3,766,007**	$ 4,011,184
Annual surplus	**(423,806)**	(698,235)
Transfers	**321,999**	453,058
Balance, end of the year	**$ 3,664,200**	$ 3,766,007

b) Capital equity surplus

	2014	2013
Balance, beginning of the year	**$ 9,568,249**	$ 9,836,860
Additions:		
Investment in capital assets	**180,821**	347,595
Principal repayment of long term debt	**242,109**	113,056
Total additions	**422,930**	460,651
Deductions:		
Amortization of capital assets	**(683,324)**	(729,262)
Balance, end of the year	**$ 9,307,855**	$ 9,568,249

c) Investment surplus

	2014	2013
Balance, beginning of the year	**$ 2,015,259**	$ 2,199,706
Additions (Deductions):		
Equity in investments	**(60,605)**	(184,447)
Balance, end of the year	**$ 1,954,654**	$ 2,015,259

13. Investment in related companies

Investment in Xeitl Limited Partnership

Taku River Tlingit First Nation is the limited partner and Atlin Power Ltd is the general partner for Xeitl Limited Partnership. Xeitl Limited Partnership operates and maintains a hydro-electric generating plant located in Atlin. 100% of its total electricity sales are made to British Columbia Hydro and Power Authority.

Selected financial information for Xeitl Limited Partnership for the year ended March 31 is as follows:

	2014	2013
Balance sheet information		
Assets	**$ 16,383,352**	$ 16,902,502
Liabilities	**$ 14,962,166**	$ 15,515,641
Partners' Equity	**$ 1,421,186**	$ 1,386,861
Results of operations		
Net income	**$ 34,325**	$ 128,276

Investment in Atlin Tlingit Economic Limited Partnership

Taku River Tlingit First Nation is the sole shareholder of Atlin Tlingit Economic Limited Partnership ("ATELP"). ATELP has various business interests including the sale of fuels.

Selected financial information for ATELP for the year ended March 31 is as follows:

	2014	2013
Balance sheet information		
Assets	**$ 940,200**	$ 1,090,313
Liabilities	**$ 508,007**	$ 625,677
Shareholders' equity	**$ 432,193**	$ 464,636
Results of operations		
Net income (loss)	**$ (32,807)**	$ 230,748

Xeitl Limited Partnership and ATELP are reporting under International Financial Reporting Standards for the year ended March 31, 2014 as they are considered to be Government Business Enterprises as defined by PSAB.

13. Investment in related companies, continued

Investment in Taku Wild Products Ltd.

Taku River Tlingit First Nation is the sole shareholder of Taku Wild Products Ltd.

Selected non-consolidated financial information for Taku Wild Products Ltd. for the year ended March 31 is as follows:

Balance sheet information	**2014** (unaudited)	2013 (unaudited)
Assets	**$ 115,713**	$ 180,044
Liabilities	**$ 14,438**	$ 16,646
Shareholders' equity	**$ 101,275**	$ 163,398

Results of operations

Net income	**$ (62,123)**	$ 15,603

Taku Wild Products Ltd. has not reported under International Financial Reporting Standards for the year ended March 31, 2014. Since it is considered to be a Government Business Enterprise, this is a departure from PSAB.

14. Other revenue

Other revenue includes funding from agencies, governments and corporations for specific programs.

15. Related Party Transactions

During the year, the First Nation paid Atlin Tlingit Economic Limited Partnership ("ATELP"), a wholly-owned subsidiary, $365,249 (2013 - $268,819) for goods and services. At March 31, 2014, the First Nation owed ATELP $72,793 (2013 - $36,649) which is included in accounts payable.

During the year, the First Nation paid Taku Wild Products Ltd., ("Taku Wild"), a wholly-owned subsidiary, $22,536 (2013 - $63,179) for food products. At March 31, 2014 the First Nation owed Taku Wild $640 (2013 - $Nil).

These transactions are in the normal course of operations and have been valued in these financial statements at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

16. Administration Fees

Administration fees have been charged to various other programs within the First Nation. These revenues and expenditures have each been shown on the individual program schedule of operations and while internal, have not been netted.

17. Budget Information

As required under PSAB, no overall budget for the First Nation was prepared and is therefore not available for comparative purposes.

18. Comparative Information

Comparative information has been restated to conform to the presentation used in the current year. There is no effect on the accumulated surplus as previously reported.