

**Tsal'ah**  
**Consolidated Financial Statements**  
*March 31, 2017*

**Management's Responsibility**

**Independent Auditors' Report**

**Consolidated Financial Statements**

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# Management's Responsibility

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To the Members of Tsal'alh (Seton Lake Indian Band):

The accompanying consolidated financial statements of Tsal'alh (Seton Lake Indian Band) 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 Tsal'alh (Seton Lake Indian Band) 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 and separately with, both the Council and management to discuss their audit findings.

July 24, 2017

\_\_\_\_\_ Administrator

## Independent Auditors' Report

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To the Members of Tsal'alh (Seton Lake Indian Band):

We have audited the accompanying consolidated financial statements of Tsal'alh (Seton Lake Indian Band), which comprise the consolidated statement of financial position as at March 31, 2017, and the consolidated statements of operations and accumulated surplus, remeasurement gains, change in net debt and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

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

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of 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 in our audit is sufficient and appropriate to provide a basis for our qualified audit opinion.

### *Basis for Qualified Opinion*

Tsal'alh (Seton Lake Indian Band) derives a portion of its revenue from cash sales, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of this revenue was limited to the amounts recorded in the records of the First Nation and we were not able to determine whether any adjustments might be necessary to cash, revenue, accumulated surplus, assets and accumulated surplus.

### *Qualified Opinion*

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, these consolidated financial statements present fairly, in all material respects, the financial position of Tsal'alh (Seton Lake Indian Band) as at March 31, 2017 and the results of its operations (including remeasurement gains and losses), change in net debt and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Kelowna, British Columbia

July 24, 2017

*MNP LLP*

Chartered Professional Accountants

**Tsal'alh**  
**Consolidated Statement of Financial Position**  
*As at March 31, 2017*

	<b>2017</b>	<b>2016</b> <i>Restated</i> <i>(Note 22)</i>
<b>Financial assets</b>		
Cash and cash equivalents <i>(Note 4)</i>	<b>4,455,281</b>	4,361,654
Accounts receivable <i>(Note 5)</i>	<b>1,093,638</b>	1,007,673
Inventory for resale	<b>11,983</b>	16,773
Loans receivable	-	7,057
Notes receivable	-	40,845
Portfolio investments <i>(Note 6)</i>	<b>922,004</b>	730,311
Investments in Nation partnerships <i>(Note 7)</i>	<b>5,069</b>	-
Funds held in trust <i>(Note 8)</i>	<b>970,468</b>	950,187
	<b>7,458,443</b>	7,114,500
<b>Financial liabilities</b>		
Accounts payable and accruals <i>(Note 9)</i>	<b>1,801,452</b>	2,067,343
Deferred revenue <i>(Note 10)</i>	<b>116,406</b>	296,414
Advances from related Nation entities & department	<b>5</b>	-
Long-term debt <i>(Note 11)</i>	<b>13,016,073</b>	10,841,246
Capital lease obligations <i>(Note 12)</i>	<b>63,800</b>	-
	<b>14,997,736</b>	13,205,003
<b>Net debt</b>	<b>(7,539,293)</b>	(6,090,503)
<b>Contingent liabilities</b> <i>(Note 13)</i>		
<b>Commitments</b> <i>(Note 14)</i>		
<b>Guarantees</b> <i>(Note 16)</i>		
<b>Non-financial assets</b>		
Tangible capital assets (Schedule 1)	<b>25,555,919</b>	22,074,127
Prepaid expenses	<b>50,181</b>	38,937
	<b>25,606,100</b>	22,113,064
<b>Accumulated surplus</b> <i>(Note 18)</i>	<b>18,066,807</b>	16,022,561
<b>Approved on behalf of the Council</b>		
[signature on file]	[signature on file]	
_____ Chief Councillor	_____ Councillor	

The accompanying notes are an integral part of these financial statements

**Tsal'alh**

**Consolidated Statement of Operations and Accumulated Surplus**  
*For the year ended March 31, 2017*

	<i>Schedules</i>	<b>2017 Budget (Note 17)</b>	<b>2017</b>	<b>2016 Restated (Note 22)</b>
<b>Revenue</b>				
Indigenous and Northern Affairs Canada		<b>1,658,676</b>	<b>5,691,172</b>	3,846,372
First Nations Health Authority		<b>590,262</b>	<b>977,842</b>	745,905
Canada Mortgage and Housing Corporation		<b>56,640</b>	<b>323,478</b>	160,971
BC Hydro		-	<b>1,833,214</b>	1,326,344
Rental income		<b>206,912</b>	<b>1,439,039</b>	404,990
Other revenue		<b>664,921</b>	<b>941,488</b>	936,032
Interest and investment income		-	<b>68,803</b>	213,399
Province of BC		-	<b>22,900</b>	21,456
Earnings (loss) from investment in Nation partnerships		-	<b>5,064</b>	-
Interior Salish Employment and Training Society (ISETS)		<b>24,037</b>	-	-
		<b>3,201,448</b>	<b>11,303,000</b>	7,655,469
<b>Expenses</b>				
Administration and Governance	3	<b>914,608</b>	<b>793,515</b>	714,911
Development Corporation	5	-	<b>3,571,787</b>	1,268,484
Economic Development	6	<b>34,402</b>	<b>680,798</b>	1,025,278
Education	7	<b>1,615,710</b>	<b>1,647,628</b>	1,438,250
Facilities and Services	8	<b>280,914</b>	<b>675,793</b>	491,710
Health	9	<b>643,694</b>	<b>718,107</b>	639,152
Housing	10	<b>246,255</b>	<b>743,283</b>	656,968
Social Assistance	11	-	<b>477,825</b>	458,210
Other	12	-	<b>4,757</b>	40,295
		<b>3,735,583</b>	<b>9,313,493</b>	6,733,258
<b>Annual surplus (deficit)</b>		<b>(534,135)</b>	<b>2,044,246</b>	922,211
<b>Accumulated surplus, beginning of year, as previously stated</b>		<b>16,022,561</b>	<b>16,022,561</b>	16,068,367
Prior period adjustment (Note 22)		-	-	(968,017)
<b>Accumulated surplus, beginning of year, as restated</b>		<b>16,022,561</b>	<b>16,022,561</b>	15,100,350
<b>Accumulated surplus, end of year</b>		<b>15,488,426</b>	<b>18,066,807</b>	16,022,561

**Tsal'alh**  
**Consolidated Statement of Remeasurement Gains**  
*For the year ended March 31, 2017*

	<b>2017</b>	<b>2016</b>
<b>Accumulated remeasurement gains, beginning of year</b>	-	178,324
<b>Unrealized gains attributable to:</b>		
<b>Amounts reclassified to the consolidated statement of operations:</b>		
Portfolio investments	-	(178,324)
<b>Accumulated remeasurement gains, end of year</b>	-	-

**Tsal'alh**  
**Consolidated Statement of Change in Net Debt**  
*For the year ended March 31, 2017*

	<b>2017 Budget (Note 17)</b>	<b>2017</b>	<b>2016 Restated (Note 22)</b>
<b>Annual surplus (deficit)</b>	<b>(439,135)</b>	<b>2,044,246</b>	922,211
Purchases of tangible capital assets	-	<b>(4,541,515)</b>	(6,683,131)
Purchases of tangible capital assets under finance lease	-	<b>(76,560)</b>	-
Amortization of tangible capital assets	<b>140,000</b>	<b>1,123,820</b>	782,314
Proceeds of disposal of tangible capital assets	-	<b>16,000</b>	4,000
Acquisition of prepaid expenses	-	<b>(50,182)</b>	(38,936)
Use of prepaid expenses	-	<b>38,937</b>	98,405
Gain on disposal of tangible capital assets	-	<b>(3,536)</b>	-
Change in remeasurement gains for the year	-	-	(178,324)
<b>Decrease (increase) in net debt</b>	<b>(299,135)</b>	<b>(1,448,790)</b>	(5,093,461)
<b>Net debt, beginning of year</b>	<b>(6,090,503)</b>	<b>(6,090,503)</b>	(997,042)
<b>Net debt, end of year</b>	<b>(6,389,638)</b>	<b>(7,539,293)</b>	(6,090,503)



**Tsal'alh**  
**Consolidated Statement of Cash Flows**  
*For the year ended March 31, 2017*

	<b>2017</b>	<i>2016 Restated (Note 22)</i>
<b>Cash provided by (used for) the following activities</b>		
<b>Operating activities</b>		
Annual surplus (deficit)	<b>2,044,246</b>	922,211
Non-cash items		
Amortization	<b>1,123,820</b>	782,314
Increase in investments in Nation partnerships	<b>(5,069)</b>	-
Realized gains on portfolio investments reclassified to the statement of operations	<b>-</b>	(178,324)
	<b>3,162,997</b>	1,526,201
Changes in working capital accounts		
Accounts receivable	<b>(85,965)</b>	(469,475)
Prepaid expenses	<b>(11,245)</b>	59,472
Inventory	<b>4,790</b>	4,677
Accounts payable and accruals	<b>(282,182)</b>	672,332
Deferred revenue	<b>(180,008)</b>	63,892
	<b>2,608,387</b>	1,857,099
<b>Financing activities</b>		
Advances of long-term debt	<b>2,387,764</b>	5,463,596
Repayment of long-term debt	<b>(212,938)</b>	-
	<b>2,174,826</b>	5,463,596
<b>Capital activities</b>		
Purchases of tangible capital assets	<b>(4,541,515)</b>	(6,683,131)
Proceeds of disposal of tangible capital assets	<b>16,000</b>	4,000
	<b>(4,525,515)</b>	(6,679,131)
<b>Investing activities</b>		
Decrease (increase) in note receivable	<b>40,845</b>	156,969
Decrease (increase) in loans receivable	<b>7,057</b>	11,351
Decrease (increase) in portfolio investments	<b>(191,692)</b>	1,931,972
Increase in funds held in trust	<b>(20,281)</b>	(20,727)
	<b>(164,071)</b>	2,079,565
<b>Increase in cash resources</b>	<b>93,627</b>	2,721,129
<b>Cash resources, beginning of year</b>	<b>4,361,654</b>	1,640,525
<b>Cash resources, end of year</b>	<b>4,455,281</b>	4,361,654

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

**1. Operations**

Tsal'alh (the "First Nation") is a First Nations village government operating out of Shalalth, British Columbia. The First Nation is responsible for the well-being of its community and enacts legal policies and programs in the areas of Administration and Governance, Capital, Economic Development, Education, Facilities and Services, Health, Housing and Social Assistance. The First Nation is also mandated to take actions to protect the well-being of members and the community and to establish cultural programs and undertake initiatives in economic development.

**2. Significant accounting policies**

These consolidated financial statements of the First Nation are prepared by management in accordance with Canadian public sector accounting standards as recommended by the Public Accounting Standards Board (PSAB) of CPA Canada. Significant accounting policies adopted by the First Nation are as follows:

***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.

***Reporting entity consolidated***

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

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

- Tsal'alh Development Corp.
- Tsal'alh Development Limited Partnership
- Tsal'almec Holding Corp.

A First Nation business partnership, jointly controlled by the Nation's Council and another party, but not dependent on the Nation for its continuing operations, is 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 First Nation. Thus, the Nation's investment in this entity 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. The entity accounted for by the modified equity basis is: TDC-IVL Contracting Ltd.

All inter-entity balances and transactions have been eliminated on consolidation.

***Financial instruments***

The First Nation recognizes its financial instruments when the First Nation becomes party to the contractual provisions of the financial instrument. All financial instruments are initially recorded at their fair value.

At initial recognition, the First Nation may irrevocably elect to subsequently measure any financial instrument at fair value. The First Nation has not made such an election during the year.

The First Nation subsequently measures investments in equity instruments quoted in an active market and all derivative instruments, except those that are linked to, and must be settled by delivery of, unquoted equity instruments of another entity, at fair value. Fair value is determined by the published price quotations that are available in an open market. Transactions to purchase or sell these items are recorded on the trade date. Net gains and losses arising from changes in fair value are recognized in the statement of remeasurement gains and losses.

Transaction costs directly attributable to the origination, acquisition, issuance or assumption of financial instruments subsequently measured at fair value are immediately recognized in operating surplus. Conversely, transaction costs are added to the carrying amount for those financial instruments subsequently measured at cost or amortized cost.

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

All financial assets except derivatives are tested annually for impairment when there are indicators of impairment. Management considers whether the investee has experienced continued losses for a period of years, recent collection experience for the loan in determining whether objective evidence of impairment exists. Any impairment, which is not considered temporary, is recorded in the consolidated statement of operations. Write-downs of financial assets measured at cost and/or amortized cost to reflect losses in value are not reversed for subsequent increases in value. Reversals of any net remeasurements can occur, provided they are not greater than the amount that would have been reported at the date of reversal had the impairment not been previously recognized. In such instances these reversals are recognized in the consolidated statement of operations.

**Cash and cash equivalents**

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

**Portfolio investments**

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

**Inventory for resale**

Inventory is valued at the lower of cost and net realizable value. Cost is determined by the first-in, first-out (FIFO) method. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and selling costs.

**Tangible capital assets**

Tangible capital assets are initially recorded at cost based on historical cost accounting records. Contributed tangible assets are recorded at their fair value at the date of contribution.

**Amortization**

In the year of acquisition, the below rates are reduced by one half.

Assets under construction are not amortized until the asset becomes available for use.

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

	<b>Method</b>	<b>Rate</b>
Buildings	straight-line	4 %
Automotive equipment	straight-line	10-30 %
Internet service provider	straight-line	20 %
Infrastructure, subdivision and water system	straight-line	4 %
Machinery and equipment	straight-line	20 %
Office equipment	straight-line	20 %
Physical development plan	straight-line	20 %
Assets under lease	straight-line	20 %

**Asset classification**

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

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

**Revenue recognition**

**Government transfers**

The First Nation recognizes a government transfer as revenue when the transfer is authorized and all eligibility criteria, if any, have been met. A government transfer with stipulations giving rise to an obligation that meets the definition of a liability is recognized as a liability. In such circumstances, the First Nation recognizes revenue as the liability is settled. Transfers of non-depreciable assets are recognized in revenue when received or receivable.

**Funds held in trust**

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

**Other**

Investment income reported on investments not subject to significant influence is recorded as revenue in the period earned.

Rental and other revenue is recognized when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

**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. Provisions are made for slow moving and obsolete inventory. Amortization is based on the estimated useful lives of tangible capital assets. Liabilities for contaminated sites are based on the best information available regarding potentially contaminated sites that the First Nation is responsible for.

**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 First Nation is either directly responsible or accepts responsibility, it is expected that future economic benefits will be given up, and a reasonable estimate of the amount is determinable. The best estimate of the liability includes all costs directly attributable to remediation activities and is reduced by expected net recoveries based on information available at March 31, 2017.

At each financial reporting date, the First Nation reviews the carrying amount of the liability. Any revisions required to the amount previously recognized is accounted for in the period revisions are made. The First Nation continues to recognize the liability until it is settled or otherwise extinguished. Disbursements made to settle the liability are deducted from the reported liability when they are made.

As at March 31, 2017, the First Nation's estimated liability for contaminated sites was \$nil.

**Funds held in trust**

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

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

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

**Segments**

The First Nation conducts its business through nine reportable segments: Administration and Governance, Development Corporation, Economic Development, Education, Facilities and Services, Health, Housing, Social Assistance and Other. These operating segments are established by senior management to facilitate the achievement of the First Nation's long-term objectives to aid in resource allocation decisions, and to assess operational performance.

For each reported segment, revenue and expenses represent both amounts that are directly attributable to the segment and amounts that are allocated on a reasonable basis. Therefore, certain allocation methodologies are employed in the preparation of segmented financial information.

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

**3. Financial Instruments**

The First Nation as part of its operations carries a number of financial instruments. It is management's opinion that the First Nation is not exposed to significant interest, currency or credit risks arising from these financial instruments except as otherwise disclosed.

**Interest rate risk**

Interest rate risk is the risk to First Nation's earnings that arises from fluctuations in market interest rates and the degree of volatility of these rates. The First Nation does not use derivative instruments to reduce its exposure to interest rate risk. Management expects interest rates to remain relatively constant for the coming year and therefore considers the related risk to be low.

**Fair value of financial instruments**

Due to their short-term nature, the carrying values of cash and cash equivalents, portfolio investments, accounts receivable, accounts payable and accruals approximate their fair values. The terms and interest rates of First Nation's long-term debt are similar to those currently offered for similar loans, therefore the carrying values of these loans are also considered to approximate their fair values.

**Liquidity Risk**

Liquidity risk is the risk that the First Nation will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivery of cash or another financial asset. The First Nation enters into transactions to borrow funds from financial institutions or other creditors, for which repayment is required at various maturity dates. Liquidity risk is measured by reviewing the First Nation's future net cash flows for the possibility of negative net cash flow.

Contractual maturities of long-term debt and capital leases are disclosed in Notes 12 and 13.

The First Nation manages the liquidity risk resulting from long-term debt and capital leases by investing in liquid assets, such as Guaranteed Investment Certificates.

**4. Cash and cash equivalents**

(a) Included in cash and cash equivalents are externally restricted funds as follows:

	<b>2017</b>	<b>2016</b>
Deferred revenue (Note 11)	<b>116,406</b>	296,414
Cash	<b>567,765</b>	500,000
	<b>684,171</b>	796,414

**Tsal'ah**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2017*

**4. Cash and cash equivalents** *(Continued from previous page)*

(b) Lines of Credit

The First Nation has available the following lines of credit, all secured by a general security agreement including an overdraft lending agreement:

- A \$250,000 revolving line of credit with interest charged at the Bank of Montreal prime rate plus 1% per annum. At March 31, 2017, the outstanding line of credit balance was \$nil (2016 - \$nil).
- A \$279,000 non-revolving line of credit with interest charged at the Bank of Montreal prime rate plus 1% per annum. At March 31, 2017, the outstanding line of credit balance was \$nil (2016 - \$nil).
- A \$200,000 non-revolving line of credit for the TDC with interest charged at the Bank of Montreal prime rate plus 1% per annum. At March 31, 2017, the outstanding line of credit balance was \$nil (2016 - \$nil).

**5. Accounts receivable**

	2017	2016
Indigenous and Northern Affairs Canada	20,155	130,104
First Nation Health Authority	2,332	693
Canada Mortgage and Housing Corporation	5,280	5,648
Due from members and related associations	189,702	154,683
Trade and other receivables	856,056	615,298
BC Hydro	359,971	338,145
Allowance for doubtful accounts	(339,858)	(236,898)
	<b>1,093,638</b>	<b>1,007,673</b>

**6. Portfolio investments**

Included in portfolio investments are externally restricted funds in the amount of \$475,654 (2016 - \$471,016) which include guaranteed investment certificates, with interest rates of 0.5%-1.0%.

**7. Investments in First Nation partnerships**

The First Nation has investments in the following entities:

		2017
	<i>Investment cost</i>	<i>Cumulative share of earnings (loss)</i>
<b>First Nation Business Partnerships – Modified Equity:</b>		<b>Total investment</b>
TDC-IVL Contracting Ltd. - 51%	5	5,064
		<b>5,069</b>

The First Nation's investment in TDC- IVL Contracting Ltd. was established for the purpose of managing construction contracts for ongoing projects in the Nation.

**Tsal'alh**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2017*

**7. Investments in First Nation partnerships and business entities** *(Continued from previous page)*

Summary financial information for each First Nation business partnership, accounted for using the modified equity method, for their respective year-end is as follows:

	<i>IVL Contracting Ltd. As at March 31, 2017</i>
<b>Assets</b>	
Cash	2,310
Inventory	172,552
Prepaid expenses	3,476
<b>Total assets</b>	<b>178,338</b>
<b>Liabilities</b>	
Accounts payable and accruals	164,606
Income taxes payable	2,156
Advances from related parties	1,636
<b>Total liabilities</b>	<b>168,398</b>
<b>Equity</b>	
Share Capital	10
	<b>9,930</b>
<b>Total revenue</b>	<b>1,426,075</b>
<b>Total expenses</b>	<b>1,416,145</b>
<b>Net income</b>	<b>9,930</b>

**8. Funds held in trust**

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

	<b>2017</b>	<b>2016</b>
<b>Capital Trust</b>		
Balance, beginning and end of year	<b>8,774</b>	8,774
<b>Revenue Trust</b>		
Balance, beginning of year	<b>941,413</b>	920,686
Additions	<b>20,281</b>	20,727
Balance, end of year	<b>961,694</b>	941,413
	<b>970,468</b>	950,187

**Ottawa Trust Funds**

The Ottawa Trust accounts arise from monies derived from capital or revenue sources as outlined in Section 62 of the *Indian Act*. These funds are held in trust in the Consolidated Revenue Fund of the Government of Canada and are subject to audit by the Office of the Auditor General of Canada. The management of these funds is primarily governed by Sections 63 to 69 of the *Indian Act*.

**Tsal'ah**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2017*

**9. Accounts payable and accruals**

	<b>2017</b>	<b>2016</b>
Trade payables and other accrued liabilities	<b>1,336,430</b>	1,656,108
Indigenous and Northern Affairs Canada	<b>280,879</b>	221,817
First Nation Health Authority	<b>14,082</b>	14,082
Accrued salaries and employee benefits payable	<b>170,061</b>	175,336
	<b>1,801,452</b>	2,067,343

**10. Deferred revenue**

	<i>Balance, beginning of year</i>	<i>Revenue received</i>	<i>Transferred to revenue</i>	<i>Balance, end of year</i>
Indigenous and Northern Affairs Canada	<b>252,787</b>	<b>3,128,490</b>	<b>3,264,971</b>	<b>116,306</b>
First Nation Health Authority	<b>31,501</b>	-	<b>31,501</b>	-
Other	<b>12,126</b>	-	<b>12,026</b>	<b>100</b>
	<b>296,414</b>	<b>3,128,490</b>	<b>3,308,498</b>	<b>116,406</b>



**Tsal'alh**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2017*

**11. Long-term debt**

	<b>2017</b>	<b>2016</b>
All Nations Trust Company - Phase 4 Mortgage repayable in monthly instalments of \$1,045, including interest at 1.05% per annum; due for renewal January 1, 2020 and matures January 1, 2020; guaranteed by Indigenous and Northern Affairs Canada.	<b>34,995</b>	47,102
All Nations Trust Company - Phase 5 Mortgage repayable in monthly instalments of \$1,697, including interest at 1.11% per annum; due for renewal January 1, 2021 and matures January 1, 2021; guaranteed by Indigenous and Northern Affairs Canada.	<b>76,371</b>	92,613
All Nations Trust Company - Phase 6 Mortgage repayable in monthly instalments of \$1,417, including interest at 1.11% per annum; due for renewal January 1, 2021 and matures January 1, 2021; guaranteed by Indigenous and Northern Affairs Canada.	<b>63,796</b>	83,044
All Nations Trust Company - Phase 7 Mortgage repayable in monthly instalments of \$2,213, including interest at 1.71% per annum; due for renewal September 1, 2017 and matures June 1, 2022; guaranteed by Indigenous and Northern Affairs Canada.	<b>133,237</b>	157,300
All Nations Trust Company - Full Phase 1 Mortgage repayable in monthly instalments of \$2,150, including interest at 1.8% per annum; due for renewal January 1, 2020; matures August 1, 2026; guaranteed by Indigenous and Northern Affairs Canada.	<b>223,052</b>	244,978
All Nations Trust Company - Full Phase 2 Mortgage repayable in monthly instalments of \$1,515, including interest at 1.11% per annum; due for renewal April 1, 2021 and matures March 1, 2031; guaranteed by Indigenous and Northern Affairs Canada.	<b>235,610</b>	250,940
Bank of Montreal - Due on demand, authorized to a maximum of \$570,000; repayable in monthly instalments of \$3,770 plus interest at prime + 1%; matures November 14, 2029; secured by a general security agreement.	<b>442,609</b>	470,941
Bank of Montreal - Due on demand, multiple draws permitted up to 75% of equipment purchase cost with a maximum of \$200,000; repayable in monthly instalments of \$883 plus interest at prime + 1% commencing March 31, 2015; matures February 20, 2020; secured by a general security agreement.	<b>10,911,129</b>	9,448,539
Bank of Montreal - Due on demand; repayable in monthly instalments of \$1,222 of interest only at prime + 1% commencing July 18, 2017; matures July 18, 2031; secured by a general security agreement.	<b>390,000</b>	-
Bank of Montreal - Due on demand; repayable in monthly instalments of \$57,473 including interest at prime + 1% commencing July 19, 2017; matures July 19, 2026; secured by a general security agreement.	<b>505,274</b>	-
Bank of Montreal - repaid in full during the year	-	45,789
	<b>13,016,073</b>	10,841,246

**11. Long-term debt** *(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	108,229
2019	110,731
2020	111,187
2021	96,389

Interest on long-term debt amounted to \$441,469 (2016 - \$274,789).

**12. Capital lease obligation**

	2017	2016
Obligation under capital lease payable in equal monthly installments of \$1,160, maturing July 2022.	<b>63,800</b>	-
Less: current portion	<b>13,920</b>	-
	<b>49,880</b>	-

Minimum lease payments related to the obligation under capital lease are as follows:

2018	13,920
2019	13,920
2020	13,920
2021	13,920
2022	8,120
Balance of obligation	63,800
Less: current portion	13,920
	<b>49,880</b>

**13. Contingent liabilities**

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

**14. Commitments**

The First Nation has committed to the construction of a new Water System and two houses for Band Members. The total costs incurred to March 31, 2017 are included in work-in-progress.

**15. Economic dependence**

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

**16. Guarantees**

As part of a residential mortgage special loan program, the First Nation has provided an on-reserve housing loan guarantee. The maximum amount payable under the guarantee at March 31, 2017 was \$1,000,000 (2016 - \$1,000,000) which is payable if the Band Member's housing loan goes into default. The guarantee is in place for 10 years, which is the duration of the loan.

As at March 31, 2017, no liability (2016 - \$nil) has been recorded associated with this guarantee.

The First Nation has guaranteed CMHC RRAP loans on behalf of band members that are forgivable on the condition that the First Nation continues to own the unit and it is occupied by band members with a total household income at or below the income threshold during the earning period of the loans. If the First Nation sells, transfers or ceases to operate the property before the maturity date, the unearned forgivable loan plus interest will immediately become due and payable. Balance of the loans at March 31, 2017 is \$334,210 (2016 - \$93,200). No amount has been recorded by the First Nation.

**17. Budget information**

The disclosed budget information has been approved by the Chief and Council of the First Nation at the council meeting held on June 7, 2016. Certain budget figures have been reclassified to conform with current year's operations presented.

Budgets were not prepared for the following segments:

- Development Corporation
- Social Assistance

As such, the budget figures in the Consolidated Statement of Operations and Accumulated Surplus are not presented for the same scope of activities as the actual results.

Budget figures in the Consolidated Statement of Operations and Accumulated Surplus are presented using the same basis of accounting as the actual results. A reconciliation of these amounts to the amounts budgeted is as follows:

Budgeted annual deficit approved by Chief and Council	(154,105)
Adjusted for:	-
Transfers to Governance that are not income	(357,098)
Administration Fees	(22,392)
Other	(540)
<u>Budgeted annual deficit, per the Statement of Operations and Accumulated Surplus</u>	<u>(534,135)</u>

**Tsal'alh**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2017*

**18. Accumulated operating surplus**

Accumulated surplus consists of restricted and unrestricted amounts and equity in tangible capital assets as follows:

	<b>2017</b>	<i>2016 Restated (Note 23)</i>
Investment in tangible capital assets	<b>12,476,046</b>	12,200,898
Restricted cash	<b>684,171</b>	796,414
Externally restricted portfolio investments	<b>475,654</b>	471,016
Trust funds held by federal government - capital account	<b>8,774</b>	8,774
Internally restricted cash - BC Rail	<b>1,022,006</b>	1,022,006
Internally restricted cash - St'at'imc Agreement - Community Fund	<b>4,589,776</b>	4,305,300
Investment in Nation Partnerships	<b>5,069</b>	-
Funds held in trust	<b>961,694</b>	941,414
	<b>20,223,190</b>	19,745,822
Unexpended deficit	<b>(2,156,383)</b>	(2,755,244)
	<b>18,066,807</b>	16,990,578

**19. Comparative figures**

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

**20. Segments**

The First Nation receives revenue and expenses from many different projects and sources. For management and reporting purposes, the revenue, expenses and surplus or deficits are organized by segments. Schedules 3 to 12 disclose the details of the Nation's revenue and expenses by segment. All inter-departmental transactions have been eliminated upon consolidation and are therefore not included within the segments. The First Nation is organized into the following segments:

**Administration and Governance**

This segment provides band support, governance and administrative services for the operations of the First Nation, including various financial functions such as payroll, accounts receivable and accounts payable. Governance acts as a governing body through top down initiatives and it is responsible for the oversight of the collaboration of community development/economic programs, the facilitating of networks involving public and private partnerships, marketing and the allocation of resources to maintain the well-being of the First Nation community and its members.

**Development Corporation**

This segment is comprised of business activities that are performed in the pursuit of economic and business development. The Tsal'alh Development Corp. is responsible for generating economic activity related to BC Hydro.

**Economic Development**

This segment implements community economic development planning and capacity building initiatives, which are pursued to benefit the First Nation's community by enhancing employment, income generation activities, use of land and resources, economic infrastructure and business opportunities.

**20. Segments** *(Continued from previous page)*

**Education**

This segment is responsible for managing and delivering K to grade 12 education programs and services as well as the management of post-secondary and continuing adult education and support programs.

**Facilities and Services**

This segment implements capital projects undertaken by the First Nation and maintains community infrastructure. Community infrastructure includes buildings, infrastructure, subdivision and water system.

**Health**

This segment is responsible for the operation of health facilities and the delivery of programs to support child development and community health.

**Housing**

This segment activities reflects First Nation owned and Canada Mortgage & Housing Corporation housing rental units and repairs.

**Social Assistance**

This segment administers benefits and services to individuals and families living on reserve who are in need of support. Department services include income assistance, assisted living, family violence prevention and awareness, and the national child benefit reinvestment.

**Other**

This segment administers the various trust funds received by the Nation.

**21. Supplemental disclosure of cash flow information**

During the year the First Nation paid cash for interest of \$441,469 (2016 - \$272,924) and received cash for interest of \$68,803 (2016 - \$213,399). Interest capitalized and included in purchases of tangible capital assets was \$nil (2016 - \$nil).

**22. Correction of error**

The consolidated financial statements include prior period adjustments to reflect amortizing the Government housing using the straight line method at an annual rate of 4%. As a result the assets and expenses were understated and accumulated surplus was overstated in the prior year. The effects of the adjustments have been applied retrospectively for comparative purposes and resulted in the following:

	<i>As previously stated</i>	<i>Change</i>	<i>As restated</i>
Tangible capital assets	23,042,144	(968,017)	22,074,127
Amortization of capital assets	782,315	19,111	801,426
Annual surplus	922,211	(19,111)	903,100
Accumulated surplus	16,990,578	(968,017)	16,022,561

**Tsal'ah**  
**Schedule 1 - Consolidated Schedule of Tangible Capital Assets**  
*For the year ended March 31, 2017*

	<i>Land</i>	<i>Buildings</i>	<i>Automotive equipment</i>	<i>Internet service provider</i>	<i>Infrastructure, subdivision and water system</i>	<i>Machinery and equipment</i>	<i>Subtotal</i>
<b>Cost</b>							
Balance, beginning of year	12,851	7,613,067	760,094	160,218	2,854,620	638,547	12,039,397
Acquisition of tangible capital assets	84,449	1,092,551	227,170	-	1,421,335	49,295	2,874,800
Disposal of tangible capital assets	-	-	(42,750)	-	-	-	(42,750)
Balance, end of year	97,300	8,705,618	944,514	160,218	4,275,955	687,842	14,871,447
<b>Accumulated amortization</b>							
Balance, beginning of year	-	3,827,720	497,539	110,370	1,057,907	451,861	5,945,397
Annual amortization	-	184,579	82,535	12,261	100,297	42,267	421,939
Accumulated amortization on disposals	-	-	(30,286)	-	-	-	(30,286)
Balance, end of year	-	4,012,299	549,788	122,631	1,158,204	494,128	6,337,050
<b>Net book value of tangible capital assets</b>	<b>97,300</b>	<b>4,693,319</b>	<b>394,726</b>	<b>37,587</b>	<b>3,117,751</b>	<b>193,714</b>	<b>8,534,397</b>
Net book value of tangible capital assets Restated (Note 22)	12,851	3,880,189	262,555	49,848	1,796,713	186,686	6,188,842

2016

**Tsal'ah**  
**Schedule 1 - Consolidated Schedule of Tangible Capital Assets**

*For the year ended March 31, 2017*

	<i>Subtotal</i>	<i>Office equipment</i>	<i>Physical development plan</i>	<i>Assets under construction</i>	<i>Buildings - CMHC</i>	<i>Tsal'ah Development Corp. Operations - Land</i>	<i>Subtotal</i>
<b>Cost</b>							
Balance, beginning of year	12,039,397	177,014	32,708	1,446,274	2,752,243	530,785	16,978,421
Acquisition of tangible capital assets	2,874,800	6,419	-	3,253,417	-	-	6,134,636
Disposal of tangible capital assets	(42,750)	-	-	(1,433,999)	(37,256)	-	(1,514,005)
Balance, end of year	14,871,447	183,433	32,708	3,265,692	2,714,987	530,785	21,599,052
<b>Accumulated amortization</b>							
Balance, beginning of year	5,945,397	157,493	32,178	-	1,854,272	-	7,989,340
Annual amortization	421,939	4,546	106	-	122,949	-	549,540
Accumulated amortization on disposals	(30,286)	-	-	-	(38,456)	-	(68,742)
Balance, end of year	6,337,050	162,039	32,284	-	1,938,765	-	8,470,138
<b>Net book value of tangible capital assets</b>	<b>8,534,397</b>	<b>21,394</b>	<b>424</b>	<b>3,265,692</b>	<b>776,222</b>	<b>530,785</b>	<b>13,128,914</b>
Net book value of tangible capital assets Restated (Note 22)	6,188,842	19,521	530	1,446,274	897,971	530,785	9,083,923

2016

**Tsal'alh**  
**Schedule 1 - Consolidated Schedule of Tangible Capital Assets**  
*For the year ended March 31, 2017*

	<i>Subtotal</i>	<i>Tsal'alh Development Corp. Operations - Buildings</i>	<i>Tsal'alh Development Corp. Operations - Automotive equipment</i>	<i>Tsal'alh Development Corp. Operations - Machinery and equipment</i>	<i>Tsal'alh Development Corp. Operations - Assets under construction</i>	<i>Tsal'alh Development Corp. Operations - Hotel</i>	<i>Subtotal</i>
<b>Cost</b>							
Balance, beginning of year	16,978,421	1,521,101	19,274	338,967	-	10,783,503	29,641,266
Acquisition of tangible capital assets	6,134,636	-	119,123	25,631	-	261,871	6,541,261
Disposal of tangible capital assets	(1,514,005)	(565,746)	-	-	-	-	(2,079,751)
Balance, end of year	21,599,052	955,355	138,397	364,598	-	11,045,374	34,102,776
<b>Accumulated amortization</b>							
Balance, beginning of year	7,989,340	175,217	9,633	97,949	-	215,670	8,487,809
Annual amortization	549,540	35,000	19,921	50,767	-	427,951	1,083,179
Accumulated amortization on disposals	(68,742)	(94,842)	-	-	-	-	(163,584)
Balance, end of year	8,470,138	115,375	29,554	148,716	-	643,621	9,407,404
<b>Net book value of tangible capital assets</b>	<b>13,128,914</b>	<b>839,980</b>	<b>108,843</b>	<b>215,882</b>	<b>-</b>	<b>10,401,753</b>	<b>24,695,372</b>
Net book value of tangible capital assets Restated (Note 22)	9,083,923	1,345,884	10,841	241,018	-	10,567,833	21,249,499



**Tsal'alh**  
**Schedule 1 - Consolidated Schedule of Tangible Capital Assets**  
*For the year ended March 31, 2017*

	<i>Subtotal</i>	<i>Tsal'alh Development Corp. Operations - RV Park</i>	<i>Assets under lease</i>	<i>2017</i>	<i>2016</i>
<b>Cost</b>					
Balance, beginning of year	29,641,266	841,457	-	30,482,723	24,125,089
Acquisition of tangible capital assets	6,541,261	-	76,560	6,617,821	13,203,304
Disposal of tangible capital assets	(2,079,751)	-	-	(2,079,751)	(6,845,670)
Balance, end of year	34,102,776	841,457	76,560	35,020,793	30,482,723
<b>Accumulated amortization</b>					
Balance, beginning of year	8,487,809	16,829	-	8,504,638	6,979,762
Annual amortization	1,083,179	32,985	7,656	1,123,820	1,428,834
Accumulated amortization on disposals	(163,584)	-	-	(163,584)	-
Balance, end of year	9,407,404	49,814	7,656	9,464,874	8,408,596
<b>Net book value of tangible capital assets</b>	<b>24,695,372</b>	<b>791,643</b>	<b>68,904</b>	<b>25,555,919</b>	<b>22,074,127</b>
2016					
Net book value of tangible capital assets Restated (Note 22)	21,249,499	824,628	-	22,074,127	

**Tsal'alh**

**Schedule 2 - Schedule of Consolidated Expenses by Object**

*For the year ended March 31, 2017*

	<b>2017</b> <i>Budget</i> <i>(Note 17)</i>	<b>2017</b>	<b>2016</b> <i>Restated</i> <i>(Note 22)</i>
<b>Consolidated expenses by object</b>			
Administration	-	16,650	51,520
Advertising and promotion	65,165	92,963	92,605
Amortization	140,000	1,123,820	782,314
Bad debts	-	107,969	8,248
Bank charges and interest	6,300	473,755	53,436
Education costs	267,870	361,663	328,510
Equipment rental	15,050	49,424	6,018
Family support allowances	-	10,377	2,185
Fire protection	4,000	6,818	6,084
Fuel costs	-	199,589	160,166
Home and community care	-	54,739	-
Honoraria	72,000	85,890	108,803
Insurance	102,725	149,065	115,216
Management fees	-	242,896	-
Materials and supplies	116,185	481,615	341,629
Miscellaneous	-	77,057	-
Office and miscellaneous	260,345	93,525	103,154
Professional fees	95,000	183,634	141,524
Program education	831,444	789,616	637,007
Property taxes	-	21,865	13,301
Rent and occupancy costs	6,000	11,644	10,805
Repairs and maintenance	97,910	311,343	224,024
Safe water operations program	-	-	20,541
Social assistance allowances	-	303,457	267,205
Subcontract	42,984	848,969	551,347
Telephone and utilities	85,350	361,832	207,144
Travel and training	228,761	316,300	301,664
Wages and benefits	1,298,494	2,537,018	2,198,808
	<b>3,735,583</b>	<b>9,313,493</b>	6,733,258

**Tsal'alh**  
**Administration and Governance**  
**Schedule 3 - Consolidated Schedule of Revenue and Expenses**  
*For the year ended March 31, 2017*

	<i>2017 Budget</i>	<i>2017</i>	<i>2016</i>
<b>Revenue</b>			
Government funding			
Indigenous and Northern Affairs Canada	240,936	365,284	358,990
Interest and investment income	-	36,061	21,842
Other revenue	219,030	142,085	38,572
	<b>459,966</b>	<b>543,430</b>	419,404
<b>Expenses</b>			
Administration	-	3,126	5,713
Amortization	-	14,049	1,397
Bad debts	-	28,057	7,092
Bank charges and interest	6,300	4,552	6,088
Honoraria	64,800	46,588	38,753
Insurance	25,320	29,046	10,758
Office and miscellaneous	177,822	59,447	52,669
Professional fees	85,000	64,895	62,055
Educational allowances	-	10,000	200
Rent and occupancy costs	-	2,845	-
Repairs and maintenance	4,400	3,127	5,230
Materials and supplies	-	13,393	10,562
Salaries and wages	373,418	348,957	336,463
Telephone and utilities	24,000	9,786	9,635
Travel and training	88,802	99,149	59,156
Advertising and promotion	49,696	52,394	44,985
Subcontract	-	3,921	62,971
Equipment rental	15,050	183	1,184
	<b>914,608</b>	<b>793,515</b>	714,911
<b>Deficit before transfers</b>	<b>(454,642)</b>	<b>(250,085)</b>	<b>(295,507)</b>
<b>Transfers between programs</b>	<b>-</b>	<b>187,984</b>	<b>206,657</b>
<b>Deficit</b>	<b>(454,642)</b>	<b>(62,101)</b>	<b>(88,850)</b>

**Tsal'alh**  
**Capital Asset Fund**

**Schedule 4 - Consolidated Schedule of Revenue and Expenses**  
*For the year ended March 31, 2017*

	<i><b>2017 Budget</b></i>	<i><b>2017</b></i>	<i><b>2016</b></i>
<b>Revenue</b>			
Government funding			
Indigenous and Northern Affairs Canada	-	<b>3,180,465</b>	1,413,215
<b>Surplus</b>	-	<b>3,180,465</b>	1,413,215

**Tsal'alh**  
**Development Corporation**  
**Schedule 5 - Consolidated Schedule of Revenue and Expenses**  
*For the year ended March 31, 2017*

	<b>2017 Budget</b>	<b>2017</b>	<b>2016</b>
<b>Revenue</b>			
Earnings from investment in Nation partnerships	-	5,064	-
Rental income	-	1,167,903	156,142
Interest and investment income	-	9,945	-
Other revenue	-	43,360	278,011
BC Hydro	-	1,235,146	729,222
	-	<b>2,461,418</b>	1,163,375
<b>Expenses</b>			
Administration	-	2,435	34,983
Amortization	-	585,242	332,916
Bad debts	-	3,956	2,691
Bank charges and interest	-	442,334	25,680
Honoraria	-	18,888	39,021
Insurance	-	37,162	35,946
Management fees	-	242,896	-
Miscellaneous	-	77,057	-
Office and miscellaneous	-	9,088	28,143
Professional fees	-	62,471	22,936
Property taxes	-	21,865	13,301
Rent and occupancy costs	-	4,149	200
Repairs and maintenance	-	148,806	50,878
Materials and supplies	-	186,720	68,212
Salaries and wages	-	1,011,678	373,362
Telephone and utilities	-	194,274	72,903
Travel and training	-	8,293	14,245
Advertising and promotion	-	10,508	20,642
Subcontract	-	465,702	132,425
Equipment rental	-	38,263	-
	-	<b>3,571,787</b>	1,268,484
<b>Deficit before transfers</b>	-	<b>(1,110,369)</b>	<b>(105,109)</b>
<b>Deficit</b>	-	<b>(1,110,369)</b>	<b>(105,109)</b>

**Tsal'alh**  
**Economic Development**  
**Schedule 6 - Consolidated Schedule of Revenue and Expenses**  
*For the year ended March 31, 2017*

	<i>2017 Budget</i>	<i>2017</i>	<i>2016</i>
<b>Revenue</b>			
Government funding			
Indigenous and Northern Affairs Canada	-	37,809	45,542
Other revenue	36,000	554,189	481,428
BC Hydro	-	49,835	57,523
	<b>36,000</b>	<b>641,833</b>	<b>584,493</b>
<b>Expenses</b>			
Administration	-	1,909	2,250
Amortization	-	8,661	10,826
Bad debts	-	21,953	3
Bank charges and interest	-	1,566	1,507
Honoraria	-	1,809	(140)
Insurance	-	2,633	2,814
Office and miscellaneous	-	742	3,419
Educational allowances	-	26,879	15,645
Repairs and maintenance	-	5,087	7,264
Materials and supplies	120	73,248	75,259
Salaries and wages	33,322	248,253	638,187
Telephone and utilities	960	11,092	8,696
Travel and training	-	33,097	61,892
Advertising and promotion	-	2,279	5,601
Subcontract	-	35,434	28,200
Fuel costs	-	199,589	160,166
Equipment rental	-	6,013	3,110
Fire protection	-	154	179
Family support allowances	-	400	400
	<b>34,402</b>	<b>680,798</b>	<b>1,025,278</b>
<b>Surplus (deficit) before transfers</b>	<b>1,598</b>	<b>(38,965)</b>	<b>(440,785)</b>
<b>Transfers between programs</b>	<b>-</b>	<b>(40,019)</b>	<b>74,969</b>
<b>Surplus (deficit)</b>	<b>1,598</b>	<b>(78,984)</b>	<b>(365,816)</b>

**Tsal'alh  
Education**

**Schedule 7 - Consolidated Schedule of Revenue and Expenses**

*For the year ended March 31, 2017*

	<b>2017 Budget</b>	<b>2017</b>	<b>2016</b>
<b>Revenue</b>			
Government funding			
Indigenous and Northern Affairs Canada	<b>1,273,056</b>	<b>1,442,545</b>	1,292,992
Other revenue	<b>348,444</b>	<b>126,822</b>	75,348
Interior Salish Employment and Training Society (ISETS)	<b>24,037</b>	-	-
	<b>1,645,537</b>	<b>1,569,367</b>	1,368,340
<b>Expenses</b>			
Administration	-	-	3
Amortization	-	<b>5,339</b>	22,766
Bank charges and interest	-	<b>60</b>	80
Honoraria	-	<b>3,185</b>	1,150
Insurance	<b>22,000</b>	<b>16,219</b>	25,526
Office and miscellaneous	<b>33,950</b>	<b>5,194</b>	772
Professional fees	<b>5,000</b>	<b>5,000</b>	5,000
Tuition	<b>350,000</b>	<b>401,133</b>	248,414
Living allowance	-	-	33
Educational allowances	<b>478,444</b>	<b>335,323</b>	344,990
Repairs and maintenance	<b>10,000</b>	<b>17,532</b>	13,828
Materials and supplies	<b>30,500</b>	<b>47,443</b>	40,759
Salaries and wages	<b>359,032</b>	<b>366,893</b>	329,917
Education costs	<b>267,870</b>	<b>361,663</b>	328,510
Telephone and utilities	<b>24,200</b>	<b>42,647</b>	27,827
Travel and training	<b>28,314</b>	<b>31,910</b>	43,264
Advertising and promotion	<b>3,000</b>	<b>3,288</b>	2,538
Equipment rental	-	<b>2,234</b>	475
Fire protection	<b>3,400</b>	<b>2,565</b>	2,398
	<b>1,615,710</b>	<b>1,647,628</b>	1,438,250
<b>Surplus (deficit) before transfers</b>	<b>29,827</b>	<b>(78,261)</b>	(69,910)
<b>Transfers between programs</b>	-	<b>76,982</b>	125,330
<b>Surplus (deficit)</b>	<b>29,827</b>	<b>(1,279)</b>	55,420

**Tsal'alh**  
**Facilities and Services**

**Schedule 8 - Consolidated Schedule of Revenue and Expenses**  
*For the year ended March 31, 2017*

	<i>2017 Budget</i>	<i>2017</i>	<i>2016</i>
<b>Revenue</b>			
Government funding			
Indigenous and Northern Affairs Canada	144,684	234,850	176,040
Rental income	-	140	-
Other revenue	51,447	53,132	24,664
	<b>196,131</b>	<b>288,122</b>	<b>200,704</b>
<b>Expenses</b>			
Administration	-	-	347
Amortization	15,000	324,953	252,515
Bad debts	-	5	-
Bank charges and interest	-	237	-
Honoraria	-	-	5,225
Insurance	17,000	26,229	10,986
Office and miscellaneous	33,253	5,599	1,454
Professional fees	5,000	5,000	5,000
Repairs and maintenance	20,000	78,309	38,833
Materials and supplies	39,000	27,205	10,497
Salaries and wages	118,261	80,117	50,766
Telephone and utilities	7,200	60,047	50,104
Travel and training	10,000	22,437	16,016
Advertising and promotion	1,200	-	-
Subcontract	15,000	40,175	25,982
Equipment rental	-	2,730	1,153
Safe water operations program	-	-	20,541
Fire protection	-	2,750	2,291
	<b>280,914</b>	<b>675,793</b>	<b>491,710</b>
<b>Surplus (deficit) before transfers</b>	<b>(84,783)</b>	<b>(387,671)</b>	<b>(291,006)</b>
<b>Transfers between programs</b>	<b>-</b>	<b>(2,478)</b>	<b>25,133</b>
<b>Surplus (deficit)</b>	<b>(84,783)</b>	<b>(390,149)</b>	<b>(265,873)</b>



**Schedule 9 - Consolidated Schedule of Revenue and Expenses**

*For the year ended March 31, 2017*

	<b>2017 Budget</b>	<b>2017</b>	<b>2016</b>
<b>Revenue</b>			
Government funding			
First Nations Health Authority	<b>590,262</b>	<b>977,842</b>	745,905
Opening deferred revenue	-	<b>13,064</b>	7,444
Other revenue	<b>10,000</b>	<b>27,664</b>	23,416
Closing deferred revenue	-	-	(12,027)
	<b>600,262</b>	<b>1,018,570</b>	764,738
<b>Expenses</b>			
Administration	-	<b>2,580</b>	25
Amortization	-	<b>22,478</b>	22,654
Bad debts	-	<b>3</b>	-
Honoraria	<b>7,200</b>	<b>7,460</b>	7,772
Insurance	<b>6,892</b>	<b>7,941</b>	3,427
Office and miscellaneous	<b>15,320</b>	<b>12,592</b>	15,520
Professional fees	-	<b>21,068</b>	21,333
Educational allowances	<b>3,000</b>	<b>697</b>	3,000
Rent and occupancy costs	<b>6,000</b>	<b>4,650</b>	10,500
Repairs and maintenance	<b>22,860</b>	<b>8,659</b>	7,891
Materials and supplies	<b>44,065</b>	<b>80,225</b>	78,400
Salaries and wages	<b>367,870</b>	<b>342,305</b>	312,292
Telephone and utilities	<b>28,990</b>	<b>29,540</b>	26,998
Travel and training	<b>101,644</b>	<b>103,170</b>	96,218
Advertising and promotion	<b>11,269</b>	<b>23,198</b>	17,005
Subcontract	<b>27,984</b>	<b>50,980</b>	15,705
Equipment rental	-	-	96
Fire protection	<b>600</b>	<b>561</b>	316
	<b>643,694</b>	<b>718,107</b>	639,152
<b>Surplus (deficit) before transfers</b>	<b>(43,432)</b>	<b>300,463</b>	125,586
<b>Transfers between programs</b>	-	<b>27,485</b>	13,079
<b>Surplus (deficit)</b>	<b>(43,432)</b>	<b>327,948</b>	138,665

**Schedule 10 - Consolidated Schedule of Revenue and Expenses**

*For the year ended March 31, 2017*

	<b>2017 Budget</b>	<b>2017</b>	<b>2016 Restated (Note 22)</b>
<b>Revenue</b>			
Government funding	-	976	129,640
Indigenous and Northern Affairs Canada	-	323,478	160,971
Canada Mortgage and Housing Corporation	56,640	270,996	248,848
Rental income	206,912	4,637	4,239
Interest and investment income	-	7,860	7,277
Other revenue	-		
	<b>263,552</b>	<b>607,947</b>	<b>550,975</b>
<b>Expenses</b>			
Administration	-	6,600	8,200
Amortization	125,000	163,099	139,239
Bad debts (recovery)	-	53,994	(1,539)
Bank charges and interest	-	25,004	20,081
Honoraria	-	400	-
Insurance	31,513	29,835	25,758
Office and miscellaneous	-	37	146
Professional fees	-	15,200	15,200
Repairs and maintenance	40,650	49,823	100,099
Materials and supplies	2,500	20,634	13,154
Salaries and wages	46,592	45,352	46,970
Telephone and utilities	-	14,085	10,207
Travel and training	-	11,686	945
Subcontract	-	252,007	277,607
Home and community care	-	54,739	-
Fire protection	-	788	901
	<b>246,255</b>	<b>743,283</b>	<b>656,968</b>
<b>Surplus (deficit) before transfers</b>	<b>17,297</b>	<b>(135,336)</b>	<b>(105,993)</b>
<b>Transfers between programs</b>	<b>-</b>	<b>54,739</b>	<b>-</b>
<b>Surplus (deficit)</b>	<b>17,297</b>	<b>(80,597)</b>	<b>(105,993)</b>

**Tsal'alh**  
**Social Assistance**

**Schedule 11 - Consolidated Schedule of Revenue and Expenses**  
*For the year ended March 31, 2017*

	<b>2017 Budget</b>	<b>2017</b>	<b>2016</b>
<b>Revenue</b>			
Government funding			
Indigenous and Northern Affairs Canada	-	<b>429,243</b>	429,952
Province of BC	-	<b>22,900</b>	21,456
Other revenue	-	<b>25,840</b>	29,830
	-	<b>477,983</b>	481,238
<b>Expenses</b>			
Honoraria	-	<b>7,160</b>	4,985
Office and miscellaneous	-	<b>827</b>	1,033
Professional fees	-	<b>10,000</b>	10,000
Educational allowances	-	<b>15,584</b>	14,526
Rent and occupancy costs	-	-	105
Materials and supplies	-	<b>32,234</b>	35,800
Salaries and wages	-	<b>93,461</b>	110,737
Social assistance	-	<b>303,457</b>	267,205
Telephone and utilities	-	<b>361</b>	721
Travel and training	-	<b>3,554</b>	9,533
Advertising and promotion	-	<b>1,210</b>	1,780
Family support allowances	-	<b>9,977</b>	1,785
	-	<b>477,825</b>	458,210
<b>Surplus before transfers</b>	-	<b>158</b>	23,028
<b>Transfers between programs</b>	-	<b>12,076</b>	11,776
<b>Surplus</b>	-	<b>12,234</b>	34,804

**Schedule 12 - Consolidated Schedule of Revenue and Expenses**

*For the year ended March 31, 2017*

	<b>2017 Budget</b>	<b>2017</b>	<b>2016</b>
<b>Revenue</b>			
Interest and investment income	-	<b>18,159</b>	187,318
Other revenue	-	<b>(52,527)</b>	(17,929)
BC Hydro	-	<b>548,233</b>	539,599
	-	<b>513,865</b>	708,988
<b>Expenses</b>			
Honoraria	-	<b>400</b>	12,037
Educational allowances	-	-	10,200
Materials and supplies	-	<b>512</b>	8,987
Salaries and wages	-	<b>3</b>	110
Telephone and utilities	-	-	53
Travel and training	-	<b>3,006</b>	396
Advertising and promotion	-	<b>86</b>	54
Subcontract	-	<b>750</b>	8,458
	-	<b>4,757</b>	40,295
<b>Surplus before transfers</b>	-	<b>509,108</b>	668,693
<b>Transfers between programs</b>	-	<b>(262,031)</b>	(456,943)
<b>Surplus</b>	-	<b>247,077</b>	211,750