

TAKLA LAKE FIRST NATION
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2018

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CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2018**

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TAKLA NATION

HEALTH • PROSPERITY • TRADITION

MANAGEMENT'S RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

The consolidated financial statements have been prepared by management in accordance with Canadian public sector accounting standards prescribed for governments as recommended by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada and as such include amounts that are the best estimates and judgments of management.

Management is responsible for the integrity and objectivity of these statements and for implementing and maintaining a system of internal control to provide reasonable assurance that reliable financial information is produced.

The Chief and Council are responsible for ensuring that management fulfils its responsibilities for financial reporting and internal control and are ultimately responsible for reviewing and approving the consolidated financial statements.

The Chief and Council meet periodically with management, as well as the external auditors, to discuss internal controls over the financial reporting process, auditing matters and financial reporting issues, to satisfy themselves that each party is properly discharging their responsibilities, and to review the consolidated financial statements and the external auditor's report.

The external auditors, Brent Bursey & Company Inc., Chartered Professional Accountants, conduct an independent examination, in accordance with Canadian auditing standards, and express their opinion on the consolidated financial statements. The external auditors have full and free access to financial management of Takla Lake First Nation and meet when required.

On behalf of Takla Lake First Nation



Chief



Councillor



Councillor

INDEPENDENT AUDITOR'S REPORT

To the Members of Takla Lake First Nation:

We have audited the accompanying consolidated financial statements of Takla Lake First Nation, which comprise the consolidated statement of financial position as at March 31, 2018 and the consolidated statements of operations, changes 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

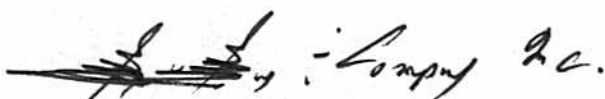
Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain 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 auditor's judgement, including the assessment of the risk of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

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

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Takla Lake First Nation as at March 31, 2018 and the results of its operations, changes in its net debt and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.



Chartered Professional Accountants

November 8, 2018
Prince George, British Columbia

TAKLA LAKE FIRST NATION
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2018


	2018	2017
FINANCIAL ASSETS		
Cash	\$ 4,705,325	\$ 2,973,844
Accounts receivable (Note 2)	1,081,592	1,880,934
Restricted cash (Note 3)	117,623	95,432
Temporary investments (Note 4)	352,239	354,590
Investments in government business entities (Note 5)	1,500,689	882,311
Advances receivable (Note 6)	1,323,712	1,143,648
Ottawa trust funds (Note 7)	27,543	110,069
	<u>9,108,723</u>	<u>7,440,828</u>
LIABILITIES		
Term demand loans (Note 8)	731,981	867,778
Accounts payable and accrued liabilities (Note 9)	1,082,396	744,998
Deferred revenue (Note 10)	4,357,099	3,506,662
Long-term debt (Note 11)	1,492,420	1,548,863
Obligations under capital leases (Note 12)	173,329	33,849
Treaty loan (Note 13)	1,575,579	1,575,579
Fund reserves (Note 3)	147,382	117,296
	<u>9,560,186</u>	<u>8,395,025</u>
NET DEBT	<u>(451,463)</u>	<u>(954,197)</u>
NON-FINANCIAL ASSETS		
Tangible capital assets (Note 14)	17,709,215	15,607,933
Prepaid expenditure	21,915	5,171
	<u>17,731,130</u>	<u>15,613,104</u>
ACCUMULATED SURPLUS	<u>\$ 17,279,667</u>	<u>\$ 14,658,907</u>

CONTINGENT LIABILITIES (Note 15)

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

Approved on behalf of Takla Lake First Nation:

 Chief

 Councillor

 Councillor

**TAKLA LAKE FIRST NATION
CONSOLIDATED STATEMENT OF OPERATIONS
FOR THE YEAR ENDED MARCH 31, 2018**

	Budget	2018	2017
REVENUE			
Indigenous and Northern Affairs Canada	\$ 3,747,957	\$ 4,832,885	\$ 4,913,442
First Nations Health Authority	20,834	77,342	30,852
Canada Mortgage and Housing Corporation	180,564	180,564	118,062
Province of British Columbia	533,068	546,827	791,178
Interest, rent and other	2,674,897	1,092,056	1,450,912
Ottawa trust funds	-	2,474	7,614
Income from investments in government business entities	-	50,646	379,558
Carrier Sekani Family Services	305,947	299,197	268,796
Carrier Sekani Tribal Council	4,195,234	4,144,001	2,679,815
First Nations Education Steering Committee	-	156,038	117,954
Own Source	-	1,195,192	471,462
Change in deferred revenue	3,492,129	(850,436)	(3,378,543)
	<u>15,150,630</u>	<u>11,726,786</u>	<u>7,851,102</u>
EXPENDITURE			
Economic development	5,635,520	2,827,215	2,052,751
Education	-	1,475,675	1,362,394
Employment and training	-	180,891	281,624
Government development and administration	1,010,736	1,461,350	953,898
Health services	485,334	543,837	352,538
Housing	646,954	487,245	153,626
Public works operations and maintenance	676,176	740,549	624,742
Social and community services	557,964	622,635	726,569
Loss from investments in government business entities	-	84,814	131,909
Interest	31,450	57,848	53,353
Amortization	56,542	605,896	622,120
	<u>9,100,676</u>	<u>9,087,955</u>	<u>7,315,524</u>
SURPLUS BEFORE RECOVERIES	<u>\$ 6,049,954</u>	<u>2,638,831</u>	<u>535,578</u>
RECOVERIES BY GOVERNMENT OF CANADA		<u>(18,071)</u>	<u>(134,361)</u>
ANNUAL SURPLUS		<u>2,620,760</u>	<u>401,217</u>
ACCUMULATED SURPLUS, BEGINNING OF YEAR		<u>14,658,907</u>	<u>14,257,690</u>
ACCUMULATED SURPLUS, END OF YEAR		<u>\$ 17,279,667</u>	<u>\$ 14,658,907</u>

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

**TAKLA LAKE FIRST NATION
CONSOLIDATED STATEMENT OF CHANGES IN NET DEBT
FOR THE YEAR ENDED MARCH 31, 2018**

	Budget	2018	2017
Annual surplus	\$ 6,049,954	\$ 2,620,760	\$ 401,217
Acquisition of tangible capital assets	(4,432,226)	(2,707,178)	(720,837)
Amortization	56,542	605,896	622,120
	<u>(4,375,684)</u>	<u>(2,101,282)</u>	<u>(98,717)</u>
(Acquisition) use of prepaid expenditure	-	(16,744)	14,992
DECREASE IN NET DEBT	<u>\$ 1,674,270</u>	502,734	317,492
NET DEBT, BEGINNING OF YEAR		<u>(954,197)</u>	<u>(1,271,689)</u>
NET DEBT, END OF YEAR		<u>\$ (451,463)</u>	<u>\$ (954,197)</u>

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

**TAKLA LAKE FIRST NATION
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED MARCH 31, 2018**

	2018	2017
OPERATING TRANSACTIONS		
Annual surplus	\$ 2,620,760	\$ 401,217
Items not involving cash		
Allocation to operations reserve	14,935	21,844
Allocation to replacement reserve	17,760	17,774
Amortization	605,896	622,120
Income from investments in government business entities	(50,646)	(379,558)
Loss from investments in government business entities	84,814	131,909
Ottawa trust funds	(2,474)	(7,614)
	<u>3,291,045</u>	<u>807,692</u>
Cash provided by (used in) operating transactions		
Accounts receivable	799,342	(809,215)
Prepaid expenditure	(16,744)	14,992
Accounts payable and accrued liabilities	337,398	63,193
Deferred revenue	850,437	3,378,543
	<u>5,261,478</u>	<u>3,455,205</u>
CAPITAL TRANSACTION		
Purchase and construction of tangible capital assets	(2,707,178)	(720,837)
FINANCING TRANSACTIONS		
Repayment of term demand loans	(135,797)	(126,321)
Repayment of long-term debt	(56,443)	(60,522)
Obligations under capital leases	156,600	48,900
Repayment of obligations under capital leases	(17,120)	(15,051)
	<u>(52,760)</u>	<u>(152,994)</u>
INVESTING TRANSACTIONS		
Advances receivable	(180,064)	(140,115)
Advances to government business entities	-	(568,607)
Repayment of advances to government business entities	497,454	-
Investment in government business entities	(1,150,000)	(158,011)
Redemption (purchase) of temporary investments	2,351	(6,475)
Allocation to replacement reserve	(2,609)	-
Withdrawal from Ottawa trust assets	85,000	220,000
	<u>(747,868)</u>	<u>(653,208)</u>
INCREASE DURING YEAR	<u>1,753,672</u>	<u>1,928,166</u>
CASH, BEGINNING OF YEAR	<u>3,069,276</u>	<u>1,141,110</u>
CASH, END OF YEAR	<u>\$ 4,822,948</u>	<u>\$ 3,069,276</u>
Cash, consists of:		
Cash	\$ 4,705,325	\$ 2,973,844
Restricted cash	117,623	95,432
	<u>\$ 4,822,948</u>	<u>\$ 3,069,276</u>

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

TAKLA LAKE FIRST NATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2018

1. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES

These consolidated financial statements have been prepared in accordance with Canadian public sector accounting standards prescribed for governments as recommended by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada.

Reporting Entity and Principles of Financial Reporting

The Takla Lake First Nation reporting entity includes the Takla Lake First Nation government and all related entities which are either owned or controlled by the Takla Lake First Nation.

All controlled entities are fully consolidated on a line-by-line basis except for the commercial enterprises which meet the definition of government business enterprises or government business partnerships, which are included in these consolidated financial statements on a modified equity basis. Inter-entity balances and transactions are eliminated upon consolidation.

Under the modified equity method of accounting, only Takla Lake First Nation's investment in the government business enterprises or government business partnerships and their share of the entities net income and other changes in equity are recorded. No adjustments are made for accounting policies of the entities that are different from those of Takla Lake First Nation.

The consolidated financial statements include the following controlled entity:

- Takla Lake First Nation CMHC Social Housing

Government business entities which are wholly-owned by Takla Lake First Nation and which are not dependent on the Nation for their continuing operations, included in the consolidated financial statements using the modified equity method are as follows:

- Takla Development Corporation
- Sasuchan Development Corporation
- Takla Lake Limited Partnership

Government business entities not wholly-owned by Takla Lake First Nation and which are not dependent on the Nation for their continuing operations, included in the consolidated financial statements using the modified equity method are as follows:

- | | |
|------------------------|----------------|
| - Jaboon Holdings Ltd. | 25% interest |
| - Sustut Holdings Ltd. | 33.3% interest |
| - Tse Keh Nay LLP | 33.3% interest |

TAKLA LAKE FIRST NATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2018

1. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES, continued

Cash

Cash includes cash on hand, cash on deposit net of cheques issued and outstanding at the reporting date, and short-term deposits with maturity dates of less than 90 days.

Tangible Capital Assets

Tangible capital assets are recorded at cost, which includes amounts that are directly related to the acquisition, design, construction, development, improvement or betterment of the assets. Cost includes overhead directly attributable to construction and development, as well as interest costs that are directly attributable to the acquisition or construction of the asset. Transfers of tangible capital assets from related parties are recorded at carrying value.

Leases that transfer substantially all the benefits and risks of ownership to the lessee are recorded as capital leases. Accordingly, at the inception of the leases, the tangible capital asset and related lease obligations are recorded at an amount equal to the present value of future lease payments discounted at the lower of the interest rate inherent in the lease contract and Takla Lake First Nation's incremental cost of borrowing.

Tangible capital assets are amortized using the declining balance method at rates calculated to amortize the cost less salvage value as follows:

Automotive equipment	30%
Automotive equipment under capital lease	30%
Band housing	4%
Buildings and infrastructure	4%
Computer equipment	30%
Contracting equipment	25%
Equipment	20%
Water plant	4%
Waste disposal system	4%

Social Housing assets acquired under CMHC sponsored housing programs are amortized at a rate equivalent to the annual principal reduction in related long-term debt.

In the year of acquisition, 50% of the annual amortization is expensed. Assets under construction are not amortized until the asset is available to be put into service.

Tangible capital assets are written down when conditions indicate that they no longer contribute to the Nation's ability to provide goods and services, or when the value of future economic benefits associated with the tangible capital assets are less than their net book value.

TAKLA LAKE FIRST NATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2018

1. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES, continued

Net write-downs are accounted for in the consolidated statement of operations and consolidated statement of changes in net debt when they occur.

Certain assets which have historical or cultural value, including works of art, historical documents and historical and cultural artifacts, are not recognized as tangible capital assets.

Revenue and Expenditure

Revenue and expenditure are recorded using the accrual basis of accounting. Revenue is recognized in the period in which the transactions or events occurred that gave rise to the revenue. Gains are recognized when realized. Items not practically measurable until cash is received are accounted for at that time.

Government transfers are recognized as revenue when the transfer is authorized and any eligibility criteria are met, except to the extent that transfer stipulations give rise to an obligation that meets the definition of a liability. Transfers are recognized as deferred revenue when transfer stipulations give rise to a liability and recognized in the statement of operations as the stipulation liabilities are settled.

Contributions from other sources are deferred when restrictions are placed on their use by the contributor, and are recognized as revenue when used for the specific purpose.

Funding Recoveries and Reimbursements

Funding received from federal government sources in the form of conditional transfer payments are subject to recovery, by the Crown, of unexpended balances or unallowable expenses. The Crown may also reimburse over expenditures upon determining adherence to the terms and conditions of payment for a specific purpose. Recoveries and reimbursements are accounted for when they are paid or payable or received or receivable.

Measurement Uncertainty

The preparation of financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenditure during the reporting period. Significant areas requiring the use of management estimates relate to the impairment of assets, rates for amortization and collectability of accounts receivable. Actual results could differ from those estimates.

TAKLA LAKE FIRST NATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2018

2. ACCOUNTS RECEIVABLE

	2018	2017
Government:		
Indigenous and Northern Affairs Canada	\$ 232,589	\$ 42,545
Canada Mortgage and Housing Corporation	18,670	8,919
Canada Revenue Agency - GST	52,610	121,234
Province of British Columbia	44,416	23,778
	<u>348,285</u>	<u>196,476</u>
Trade	708,991	1,672,074
First Nation staff	59,576	47,644
	<u>768,567</u>	<u>1,719,718</u>
	1,116,852	1,916,194
Less: allowance for doubtful accounts	<u>(35,260)</u>	<u>(35,260)</u>
	<u>\$ 1,081,592</u>	<u>\$ 1,880,934</u>

3. RESTRICTED CASH AND FUND RESERVES

	2018	2017
Restricted cash consists of:		
Funded replacement reserve	\$ 56,535	\$ 56,259
Funded operations reserve	61,088	39,173
	<u>\$ 117,623</u>	<u>\$ 95,432</u>
Fund reserves consist of:		
Funded replacement reserve	\$ 56,535	\$ 56,259
Funded operations reserve	61,088	39,173
Unfunded replacement reserve	14,824	-
Unfunded operations reserve	14,935	21,864
	<u>\$ 147,382</u>	<u>\$ 117,296</u>

TAKLA LAKE FIRST NATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2018

3. RESTRICTED CASH AND FUND RESERVES, continued

Replacement Reserve

Under the terms of the agreement with Canada Mortgage and Housing Corporation, the Nation must set aside funds in the amount of \$17,760 annually plus interest; \$5,920 for Phase I operations, and \$11,840 for Phase II operations. These funds, along with accumulated interest, must be held in a separate bank account and/or invested only in accounts or instruments insured by the Canada Deposit Insurance Corporation or as may otherwise be approved by CMHC from time to time. The funds in the account may only be used as approved by CMHC. Withdrawals are credited to interest first and then principal. At year end the program has unfunded reserves of \$14,824 (2017 - NIL) and is not in compliance with their agreement with CMHC. Subsequent to the year end the reserve was fully funded by a transfer of \$14,824.

Operations Reserve

Under the terms of the agreement with CMHC, after the payment of all costs and expenditures, including the allocation to the Replacement Reserve, any surplus revenue from Phase I and/or Phase II will be retained by the Program within an Operations Reserve Fund. The Program's Operations Reserve Fund may only be used for the on-going operating costs of Phase I and Phase II as committed under the 1997 On-Reserve Program. Accordingly, future years' deficits may be recovered from the Operations Reserve Fund. These funds, along with accumulated interest, must be held in a separate bank account and/or invested only in accounts or instruments insured by the Canada Deposit Insurance Corporation, or as may otherwise be mutually agreed to by Takla Lake First Nation and CMHC. At year end the program has unfunded reserves of \$14,935 (2017 - \$21,864) and is not in compliance with their agreement with CMHC. Subsequent to the year end the reserve was fully funded by a transfer of \$14,935.

4. TEMPORARY INVESTMENTS

Temporary investments consists of a Special Trust Guaranteed Investment Certificate due to mature October 2018 and money held in a pooled trust account. Stewardship of temporary investments rests with Woodward & Co. Lawyers LLP.

TAKLA LAKE FIRST NATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2018

5 INVESTMENTS IN GOVERNMENT BUSINESS ENTITIES

	2018	2017
Takla Development Corporation		
- shares	\$ 100	\$ 100
- deficit	(2,144,557)	(2,081,856)
- advances to	2,222,428	2,731,478
	<u>77,971</u>	<u>649,722</u>
Jaboon Holdings Ltd.		
- shares	32,197	32,197
- deficit	(24,283)	(22,880)
	<u>7,914</u>	<u>9,317</u>
Sustut Holdings Ltd.		
- share	1	1
- equity	149,852	150,167
	<u>149,853</u>	<u>150,168</u>
Tse Keh Nay LLP		
- partners' capital	<u>32,117</u>	<u>46,427</u>
Sasuchan Development Corporation		
- share	1	1
- deficit	(136,218)	(130,134)
- advances from	(1)	(1)
	<u>(136,218)</u>	<u>(130,134)</u>
Takla Lake Limited Partnership		
- partners' capital	9	9
- surplus (deficit)	49,429	(1,199)
- contributions	1,308,011	158,001
- advances	11,603	-
	<u>1,369,052</u>	<u>156,811</u>
	<u>\$ 1,500,689</u>	<u>\$ 882,311</u>

TAKLA LAKE FIRST NATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2018

5. INVESTMENTS IN GOVERNMENT BUSINESS ENTITIES, continued

Shares and partnership units are held by Takla Lake First Nation, as represented by Chief and Council, on behalf of and for the benefit of the Takla Lake First Nation membership.

Takla Development Corporation is actively involved in logging and silviculture and employs members of the Nation on a regular basis. Advances due from Takla Development Corporation are unsecured, non-interest bearing with no scheduled terms of repayment.

Condensed financial information for the government business entities is presented in Appendix A to the financial statements.

6. ADVANCES RECEIVABLE

Advances receivable from Takla Trading Post Ltd., a company wholly-owned by government business enterprise Takla Development Corporation, are non-interest bearing, unsecured with no specific terms of repayment.

7. OTTAWA TRUST FUNDS

	Revenue	Capital	Total 2018	Total 2017
Balance, beginning of year	\$ 22,452	\$ 87,617	\$ 110,069	\$ 322,455
Interest	2,474	-	2,474	7,614
Withdrawals	-	(85,000)	(85,000)	(220,000)
Balance, end of year	<u>\$ 24,926</u>	<u>\$ 2,617</u>	<u>\$ 27,543</u>	<u>\$ 110,069</u>

The Ottawa Trust Accounts arise from monies 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".

8. TERM DEMAND LOANS

	2018	2017
Term demand loan repayable in monthly instalments of \$3,595 including interest at 3.15% per annum, secured by a Government of Canada ministerial guarantee, due to mature November 2018	<u>\$ 123,271</u>	<u>\$ 161,862</u>
Balance forward	<u>\$ 123,271</u>	<u>\$ 161,862</u>

TAKLA LAKE FIRST NATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2018

8. TERM DEMAND LOANS, continued

	2018	2017
Balance forward	\$ 123,271	\$ 161,862
Term demand loan repayable in monthly instalments of \$4,622 including interest at 3.27% per annum, secured by a Government of Canada ministerial guarantee, due to mature November 2018	282,541	327,945
Term demand loan repayable in monthly instalments of \$4,730 including interest at 3.27% per annum, secured by a Government of Canada ministerial guarantee, due to mature November 2018	289,181	335,652
Term loan repayable in monthly instalments of \$552 including interest at 3.25% per annum, secured by tangible capital assets with a net book value of \$46,677, due to mature September 2020	36,988	42,319
	<u>\$ 731,981</u>	<u>\$ 867,778</u>

Provided the lender does not demand repayment of the loans in full, principal repayments are scheduled as follows:

2019	\$ 140,280
2020	144,886
2021	149,644
2022	110,785
2023	114,461
Subsequent	71,925
	<u>\$ 731,981</u>

9. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2018	2017
Trade payables	\$ 599,845	\$ 374,011
Accrued wages and payroll deductions payable	229,109	155,470
Pension plan contributions payable	10,402	12,455
Worksafe BC	7,133	3,645
Indigenous and Northern Affairs Canada recoveries payable	178,282	141,687
Other accrued liabilities	57,625	57,730
	<u>\$ 1,082,396</u>	<u>\$ 744,998</u>

TAKLA LAKE FIRST NATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2018

9. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES, continued

The Nation has a defined contribution pension plan for eligible members of its staff. Members can contribute up to a maximum of 5.5% of their salary and the Nation matches the member's contribution. The amount of retirement benefits to be received by the members will be the amount of retirement annuity that could be purchased based on the member's share of the pension plan at the time of the member's withdrawal from the plan. During the year the Nation contributed \$42,739 (2017 - \$36,690) for retirement benefits.

10. DEFERRED REVENUE

	2018	2017
Indigenous and Northern Affairs Canada		
ICMS #9-00126160 Multi-units construction	\$ 392,178	\$ 1,638,106
ICMS #9-00126306 - ICMS#9-00126308		
Capacity development government, capacity development maintenance, and capacity development management	47,769	215,095
CPMS #9-00126567		
Takla Lake solid waste management centre	1,054,334	-
ICMS #9-00125941 Special services	-	12,278
	<u>1,494,281</u>	<u>1,865,479</u>
Other		
Carrier Sekani Tribal Council	2,312,619	1,330,371
First Nations Health Authority	4,999	3,000
Prince George Nechako Aboriginal Employment and Training Association	8,224	13,582
Province of British Columbia	242,746	-
Insurance proceeds	<u>294,230</u>	<u>294,230</u>
	<u>2,862,818</u>	<u>1,641,183</u>
	<u>\$ 4,357,099</u>	<u>\$ 3,506,662</u>

The Nation has recorded the above surpluses as deferred revenue to be used in project completion.

TAKLA LAKE FIRST NATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2018

11. LONG-TERM DEBT

	2018	2017
Mortgage repayable in monthly instalments of \$3,190 including interest at 2.08% per annum, secured by a Government of Canada ministerial guarantee, due to mature February 2039	\$ 649,233	\$ 673,787
Mortgage repayable in monthly instalments of \$4,143 including interest at 2.08% per annum, secured by a Government of Canada ministerial guarantee, due to mature February 2039	<u>843,187</u>	<u>875,076</u>
	<u>\$ 1,492,420</u>	<u>\$ 1,548,863</u>

Principal repayments are scheduled as follows:

2019	\$ 57,496
2020	58,703
2021	59,935
2022	61,194
2023	61,394
Subsequent	<u>1,193,698</u>
	<u>\$ 1,492,420</u>

12. OBLIGATIONS UNDER CAPITAL LEASES

	2018	2017
Equipment lease payable in monthly instalments of \$1,427, secured by equipment with a net book value of \$29,274, with a purchase option of \$1 on May 31, 2019	<u>\$ 17,850</u>	<u>\$ 37,093</u>
Balance forward	<u>\$ 17,850</u>	<u>\$ 37,093</u>

TAKLA LAKE FIRST NATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2018

12. OBLIGATIONS UNDER CAPITAL LEASES, continued

	2018	2017
Balance forward	\$ 17,850	\$ 37,093
Equipment lease payable in monthly instalments of \$2,894, secured by equipment with a net book value of \$156,600, with a purchase option of \$1 on January 23, 2023	<u>177,290</u>	-
	195,140	37,093
Interest included in future minimum lease payments	<u>(21,811)</u>	<u>(3,244)</u>
	<u>\$ 173,329</u>	<u>\$ 33,849</u>

Future minimum lease payments under capital lease due in each of the next years are scheduled as follows:

2019	\$ 41,463
2020	34,925
2021	36,642
2022	38,445
2023	34,540
Subsequent	<u>9,125</u>
	<u>\$ 195,140</u>

13. TREATY LOAN

Treaty loan is an Indigenous and Northern Affairs Canada promissory note representing advances for negotiations with the British Columbia Treaty Commission. Repayment provisions for this loan are outlined in the Negotiation Support Agreement. The loan is non-interest bearing and will be repayable over a 10 year period after the signing of the Final Agreement between Takla Lake First Nation, the Government of Canada and the Government of British Columbia.

**TAKLA LAKE FIRST NATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2018**

14. TANGIBLE CAPITAL ASSETS (Appendix B)

			2018	2017
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Automotive equipment	\$ 133,288	\$ 109,752	\$ 23,536	\$ 21,480
Automotive equipment under capital lease	49,200	28,708	20,492	29,274
Band housing	8,569,141	3,952,716	4,616,425	3,317,421
Buildings and infrastructure	9,875,205	4,255,135	5,620,070	4,675,063
CMHC Social Housing	2,149,302	220,316	1,928,986	1,985,429
Computer equipment	31,158	30,917	241	535
Contracting equipment	65,305	22,448	42,857	57,142
Contracting equipment under capital leases	156,600	-	156,600	-
Equipment	249,816	246,231	3,585	4,481
Water plant	4,297,464	1,659,879	2,637,585	2,747,484
Waste disposal system	3,762,902	1,104,064	2,658,838	2,769,624
	<u>\$ 29,339,381</u>	<u>\$ 11,630,166</u>	<u>\$ 17,709,215</u>	<u>\$ 15,607,933</u>

Assets under construction included in buildings and infrastructure and band housing, in the amounts of \$1,787,737 (2017 - \$518,398) and \$1,524,399 (2017 - \$96,560) respectively, are not currently being amortized.

Included in amortization expense is \$8,782 (2017 - \$12,546) relating to automotive equipment under capital lease.

15. CONTINGENT LIABILITIES

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

The Nation is contingently liable for a First Nation member mortgage secured by a Government of Canada Ministerial guarantee. As at March 31, 2018 the maximum liability is \$51,494.

The Carrier Sekani Tribal Council has signed an agreement on behalf of its member First Nations with Canada and British Columbia. The Nation has signed a treaty loan agreement with the Carrier Sekani Tribal Council. The Loan to the Nation shall accrue interest at a rate established pursuant to the First Nation loan agreement between the Carrier Sekani Tribal Council and British Columbia. The amount of the liability for interest, if any, of the Nation is not determinable at this time.

**TAKLA LAKE FIRST NATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2018**

15. CONTINGENT LIABILITIES, continued

In addition, in the normal course of its operations, Takla Lake First Nation may become involved in legal actions. Some of these potential liabilities may become actual liabilities when one or more future events occur or fail to occur. To the extent that the future event is likely to occur, and a reasonable estimate of the loss can be made, an estimated liability is accrued and an expense recorded in the financial statements.

16. RELATED PARTY TRANSACTIONS

In the normal course of operations, the Nation participated in transactions with related parties measured at the exchange amount as determined and agreed to by the related parties.

The Nation paid expenses in the normal course of operations to Takla Development Corporation in the amount of \$18,633 (2017 - \$61,667).

The Nation paid expenses in the normal course of operations to Takla Trading Post Ltd. in the amount of \$88,705 (2017 - \$77,686).

17. ECONOMIC DEPENDENCE

Takla Lake First Nation receives a major portion of its revenue pursuant to a funding arrangement with Indigenous and Northern Affairs Canada. Any disruption in this funding would have a negative effect on the Nation's operations.

18. RECONCILIATION OF INAC FUNDING AGREEMENT REVENUE

Pursuant to the Indigenous and Northern Affairs Canada Financial Reporting Requirements for fiscal period 2017-2018, the following reconciliation has been prepared:

Recipient total as per 2017-2018 INAC funding confirmation	\$ 4,867,082
Variance - 2014/2015 Electrical Systems - CPMS#3998 audit reimbursement recognized in the year ended March 31, 2017	(3,140)
Variance - 2014/2015 Special Services - ICMS#9-00113355 ACRS audit reimbursement recognized in the year ended March 31, 2017	<u>(31,057)</u>
Recipient total as per consolidated financial statements	<u>\$ 4,832,885</u>

TAKLA LAKE FIRST NATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2018

19. GOVERNMENT TRANSFERS

	2018			2017		
	Operating	Capital	Total	Operating	Capital	Total
Federal government transfers:						
Indigenous and Northern Affairs Canada	\$ 3,041,258	\$ 1,791,627	\$ 4,832,885	\$ 2,851,073	\$ 2,062,369	\$ 4,913,442
Canada Mortgage and Housing Corporation	180,564	-	180,564	118,062	-	118,062
	3,221,822	1,791,627	5,013,449	2,969,135	2,062,369	5,031,504
Provincial Government transfers	546,827	-	546,827	791,178	-	791,178
First Nations Health Authority	77,342	-	77,342	30,852	-	30,852
	<u>\$ 3,845,991</u>	<u>\$ 1,791,627</u>	<u>\$ 5,637,618</u>	<u>\$ 3,791,165</u>	<u>\$ 2,062,369</u>	<u>\$ 5,853,534</u>

20. RISK MANAGEMENT

The Nation has a comprehensive risk management framework to monitor, evaluate and manage the principal risks assumed with financial instruments. The risks that arise from transacting financial instruments include the following:

Credit Risk

Credit risk refers to the risk that a counterparty may default on its contractual obligations resulting in a financial loss. The Nation has a history of dealing with its funding agencies and customer base and does not believe it is exposed to an unusual level of credit risk with respect to its accounts receivable.

The Nation maintains its cash and deposits with a single federally regulated Canadian financial institution, and thus has not experienced any change in risk exposure.

TAKLA LAKE FIRST NATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2018

20. RISK MANAGEMENT, continued

Interest Rate Risk

Interest rate risk refers to the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The Nation's long-term debt is at fixed rates of interest therefore, a change in market interest rates has no impact to cash flows required to service this debt. The term demand loan subject to a floating rate of interest based on prime plus a margin may expose the Nation to interest rate risk due to fluctuations in the prime rate. There has been no change to the risk exposure from 2017 and there is expected to be no substantive change in the next fiscal period.

21. SEGMENT DISCLOSURE

The Nation provides a range of services to its members. For management reporting purposes, operations and activities are organized and reported by function and department. For each segment separately reported, the segment revenue and expenditure represent both amounts that are directly attributable to the segment and amounts that are allocated on a reasonable basis. The presentation by segment is based on the same accounting policies as described in the summary of Significant Accounting Policies in Note 1. The segments and services provided are as follows:

Economic Development - manages the development of economic opportunities from the land and natural resources for the Nation and its entities;

Education - provides elementary and secondary education instructional services and provides financial support to post secondary students;

Employment and Training - provides training and work opportunities for Nation members to improve their job skills and participate effectively in the labour market;

Government Development and Administration - provides governance initiatives and training through the activities of Chief and Council and administration of other activities relating to program delivery, membership and finance;

Health Services - provides a variety of health care programs, services and support to Nation members;

Housing - provides housing and services to Nation members;

Public Works Operations and Maintenance - manages community and facilities operations and maintenance including capital projects, municipal services, water and waste water operations, roads, fire protection, and maintenance of community buildings;

TAKLA LAKE FIRST NATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2018

21. SEGMENT DISCLOSURE, continued

Social and Community Services - provides programs and services for the social benefit and welfare of Nation members;

Other - Ottawa trust assets and government business entities provide programs and services for the social, economic and capital needs of Nation members;

Tangible Capital Assets - provides for capital infrastructure development for Nation members.

22. BUDGETED FIGURES

Budgeted figures, which are unaudited, have been provided for comparison purposes and have been approved by the Chief and Council.

23. COMPARATIVE FIGURES

Certain of the prior comparative figures have been restated to conform to the current year's presentation.

TAKLA LAKE FIRST NATION
SEGMENT DISCLOSURE
FOR THE YEAR ENDED MARCH 31, 2018

	ECONOMIC DEVELOPMENT				EDUCATION				EMPLOYMENT AND TRAINING				GOVERNMENT DEVELOPMENT AND ADMINISTRATION				HEALTH SERVICES				
	2018		2017		2018		2017		2018		2017		2018		2017		2018		2017		
	Budget		Budget		Budget		Budget		Budget		Budget		Budget		Budget		Budget		Budget		
REVENUE																					
Indigenous and Northern Affairs Canada	\$	43,838	\$	43,838	\$	107,805	\$	107,805	\$	1,169,321	\$	1,037,177	\$	-	\$	653,114	\$	668,425	\$	547,504	
First Nations Health Authority		-		-		-		-		-		-		-		-		-		-	
Canada Mortgage and Housing Corporation		-		-		-		-		-		-		-		-		-		-	
Province of British Columbia		475,516		773,428		773,428		773,428		-		-		-		-		168,501		47,750	
Interest, rent and other		959,320		31,063		173,546		173,546		6,551		1,329		291,176		671,519		736,513		457,889	
Ottawa trust funds		-		-		-		-		-		-		-		-		-		-	
Income from investments in government business entities		-		-		-		-		-		-		-		-		-		-	
Carrier Sekani Family Services		-		-		-		-		-		-		-		-		-		-	
Carrier Sekani Tribal Council		4,089,084		4,130,501		2,675,519		2,675,519		-		-		-		106,150		13,500		4,296	
First Nations Education Steering Committee		-		-		-		-		-		-		-		-		-		-	
Own Source		-		1,195,192		356,463		356,463		156,038		117,954		-		-		-		-	
Change in deferred revenue		1,330,371		(1,066,492)		(1,330,371)		(1,330,371)		-		-		(13,582)		-		(158,501)		-	
TOTAL REVENUE		6,898,129		4,650,094		2,756,390		2,756,390		1,331,910		1,156,460		277,594		1,430,783		1,428,438		1,009,689	
EXPENDITURE																					
Amortization and interest		-		-		-		-		-		-		-		-		-		-	
Consulting and contract services		657,500		92,547		26,538		26,538		-		-		-		-		-		-	
Equipment purchases		-		-		63,305		63,305		-		-		-		-		-		-	
Honoraria		123,400		4,300		10,845		10,845		2,800		3,500		13,327		16,750		4,521		900	
Materials and supplies		176,628		129,716		55,414		55,414		87,235		94,937		49,117		20,000		174,047		46,096	
Meetings		273,090		67,408		60,773		60,773		315		2,001		2,144		2,500		45,014		3,617	
Professional fees		2,374,863		860,685		743,673		743,673		2,200		34,904		18,683		192,000		260,494		225,449	
Rent		87,715		13,922		63,301		63,301		4,027		104		21,500		47,173		51,339		43,637	
Telephone and utilities		10,295		9,162		6,195		6,195		79,127		86,710		324		38,685		38,685		39,216	
Travel and accommodations		418,887		203,881		123,082		123,082		87,534		49,460		31,019		38,000		21,493		21,493	
Wages and benefits		501,875		678,556		464,357		464,357		639,788		587,024		44,050		552,863		698,636		531,047	
Workshops and training		78,200		4,647		4,490		4,490		14,247		6,861		42,709		17,350		40,283		5,369	
Other		933,067		762,391		494,083		494,083		556,573		496,997		68,917		110,900		84,586		37,621	
TOTAL EXPENDITURE		5,635,520		2,827,215		2,118,056		2,118,056		1,475,675		1,381,394		281,624		1,011,736		1,471,350		953,898	
EXCESS REVENUE OVER EXPENDITURE, (EXPENDITURE OVER REVENUE)		\$	1,262,609		\$	1,872,879		\$	638,334		\$	(224,934)		\$	(40,030)		\$	(49,912)		\$	55,731

TAKLA LAKE FIRST NATION
SEGMENT DISCLOSURE
FOR THE YEAR ENDED MARCH 31, 2018

	HOUSING			PUBLIC WORKS OPERATIONS AND MAINTENANCE			SOCIAL AND COMMUNITY SERVICES			OTHER	
	Budget	2018	2017	Budget	2018	2017	Budget	2018	2017	Budget	2017
REVENUE											
Indigenous and Northern Affairs Canada	\$ 245,969	\$ 245,969	\$ -	\$ 568,668	\$ 571,592	\$ 515,116	\$ 504,464	\$ 588,082	\$ 643,471	\$ -	\$ -
First Nations Health Authority	-	-	-	-	-	-	-	-	-	-	-
Canada Mortgage and Housing Corporation	180,564	180,564	118,062	-	-	-	-	-	-	-	-
Province of British Columbia	-	-	-	-	-	-	-	-	-	-	-
Interest, rent and other	441,848	129,408	172,734	42,200	\$4,631	30,218	3,500	3,514	4,290	-	-
Ontario trust funds	-	-	-	-	-	-	-	-	-	-	7,614
Income from investments in government business entities	-	-	-	-	-	-	-	-	-	-	379,558
Carrier Sekani Family Services	-	-	-	-	-	-	-	-	-	-	-
Carrier Sekani Tribal Council	-	-	-	-	-	-	-	-	-	-	-
First Nations Education Steering Committee	-	-	-	-	-	-	-	-	-	-	-
Own Source	-	-	-	-	-	56,114	-	-	58,885	-	-
Change in deferred revenue	-	-	-	-	-	-	-	-	-	-	-
TOTAL REVENUE	868,381	555,941	290,796	610,868	626,223	601,448	507,964	\$91,596	705,646	53,120	387,172
EXPENDITURE											
Amortization and interest	87,992	114,291	108,715	-	-	-	-	-	-	-	-
Consulting and contract services	75,000	68,579	-	86,818	91,578	65	9,500	8,395	-	-	-
Equipment purchases	-	-	-	-	-	-	-	-	-	-	-
Honoraria	-	-	-	-	-	2,500	-	-	-	-	-
Materials and supplies	-	883	-	54,000	55,155	52,181	24,902	34,188	47,753	-	-
Meetings	-	-	162	-	-	-	-	-	1,048	-	-
Professional fees	10,200	5,200	5,660	1,500	-	1,335	-	5,900	-	-	-
Rent	-	-	-	12,800	8,364	7,687	-	25,962	-	-	-
Telephone and utilities	3,360	6,400	4,066	71,000	72,030	70,584	-	-	244	-	-
Travel and accommodations	-	1,729	(239)	26,500	61,967	14,053	8,000	8,307	12,967	-	-
Wages and benefits	19,350	27,342	31,009	311,083	345,983	354,072	112,314	139,405	147,658	-	-
Workshops and training	-	-	-	500	-	1,005	13,000	3,231	10,429	-	-
Other	539,044	377,112	112,568	111,975	104,472	121,260	390,248	397,347	506,470	84,814	131,909
TOTAL EXPENDITURE	734,946	601,536	262,341	676,176	740,549	624,742	557,964	622,635	726,569	84,814	131,909
EXCESS REVENUE OVER EXPENDITURE, (EXPENDITURE OVER REVENUE)	\$ 133,435	\$ (45,595)	\$ 28,455	\$ (65,308)	\$ (114,326)	\$ (23,294)	\$ (50,000)	\$ (31,039)	\$ (19,923)	\$ -	\$ 255,263

TAKLA LAKE FIRST NATION
SEGMENT DISCLOSURE
FOR THE YEAR ENDED MARCH 31, 2018

	TANGIBLE CAPITAL ASSETS			TOTAL BEFORE ADJUSTMENTS			CONSOLIDATION ADJUSTMENTS			CONSOLIDATED TOTALS		
	Budget	2018	2017	Budget	2018	2017	Budget	2018	2017	Budget	2018	2017
REVENUE												
Indigenous and Northern Affairs Canada	\$	1,731,904	\$	1,545,658	\$	2,062,369	\$	3,747,957	\$	4,832,855	\$	4,913,442
First Nations Health Authority	-	-	-	-	-	-	-	-	-	20,834	77,342	30,852
Canada Mortgage and Housing Corporation	-	-	-	-	-	-	-	-	-	180,564	180,564	118,062
Province of British Columbia	9,802	14,584	-	-	-	-	-	-	-	533,058	546,837	791,178
Interest, rent and other	520,262	-	294,230	-	-	-	-	-	-	2,674,897	1,092,056	1,450,912
Ottawa trust funds	-	-	-	-	2,474	7,614	-	-	-	-	-	7,614
Income from investments in government business entities	-	-	-	-	50,646	379,558	-	-	-	-	50,646	379,558
Carrier Sekani Family Services	-	-	-	-	299,197	268,796	-	-	-	305,947	299,197	268,796
Carrier Sekani Tribal Council	-	-	-	-	4,195,234	2,679,815	-	-	-	4,195,234	4,144,001	2,679,815
First Nations Education Steering Committee	-	-	-	-	156,038	117,954	-	-	-	-	156,038	117,954
Own Source	-	-	-	-	1,195,192	471,462	-	-	-	-	1,195,192	471,462
Change in deferred revenue	2,158,758	371,198	(2,031,590)	-	(850,436)	(3,378,543)	-	-	-	3,492,129	(850,436)	(3,378,543)
TOTAL REVENUE	4,420,726	1,931,440	325,009	15,150,630	11,726,786	7,851,102	-	-	-	15,150,630	11,726,786	7,851,102
EXPENDITURE												
Amortization and interest	-	-	-	87,992	114,291	108,715	-	549,453	566,758	87,992	663,744	675,473
Consulting and contract services	2,519,992	1,782,495	268,724	3,348,810	2,052,596	295,680	(2,519,992)	(1,782,495)	(268,724)	828,818	270,101	26,956
Equipment purchases	809,400	404,700	-	820,900	414,700	84,305	(820,900)	(414,700)	(84,305)	-	-	-
Honoraria	-	-	-	141,050	14,651	34,572	-	-	-	141,050	14,651	34,572
Materials and supplies	74,000	9,377	21,161	366,337	561,257	380,066	(74,000)	(9,377)	(21,161)	292,337	551,880	358,505
Meetings	5,000	2,235	314	280,690	121,846	71,915	(5,000)	(2,235)	(314)	275,690	119,611	71,601
Professional fees	378,894	130,168	202,800	2,971,116	1,292,555	1,233,617	(378,894)	(130,168)	(202,800)	2,592,222	1,162,387	1,030,817
Rent	84,480	156,817	13,759	234,168	260,535	152,734	(84,480)	(156,817)	(13,759)	149,688	103,718	138,975
Telephone and utilities	22,000	-	-	120,655	207,838	209,749	(22,000)	-	-	98,635	207,838	209,749
Travel and accommodations	66,661	57,640	3,638	591,902	568,786	300,305	(66,661)	(57,640)	(3,638)	525,041	511,066	296,667
Wages and benefits	320,015	108,973	32,387	2,140,326	3,024,188	2,448,767	(320,015)	(108,973)	(32,387)	1,820,311	2,915,215	2,416,380
Workshops and training	40,000	8,466	-	150,950	128,198	73,021	(40,000)	(8,466)	-	110,950	119,732	73,021
Other	100,084	36,307	93,750	2,278,006	2,484,329	2,076,158	(100,084)	(36,307)	(93,750)	2,177,922	2,448,022	1,982,408
TOTAL EXPENDITURE	4,420,726	2,697,178	636,533	13,532,902	11,245,680	7,469,604	(4,432,226)	(2,157,725)	(154,080)	9,100,676	9,087,955	7,315,524
EXCESS REVENUE OVER EXPENDITURE (EXPENDITURE OVER REVENUE)	\$	-	\$	\$	481,106	\$	\$	2,157,725	\$	\$	2,638,831	\$
			(311,524)			381,498			154,080		6,049,954	535,578

TAKLA LAKE FIRST NATION
GOVERNMENT BUSINESS ENTITIES
CONDENSED FINANCIAL INFORMATION
FOR THE YEAR ENDED MARCH 31, 2018

APPENDIX A

	Tse Keh Nay LLP	Jaboon Holdings Ltd.	Sustut Holdings Ltd.	Takla Development Corporation	Sasuchan Development Corporation	Takla Lake Limited Partnership	Total 2018	Total 2017
Assets								
Financial Assets	\$ 138,350	\$ 129,615	\$ 132,460	\$ 1,355,835	\$ 554	\$ 2,314,903	\$ 4,071,717	\$ 2,260,683
Tangible Capital Assets	-	-	-	89,126	-	-	89,126	306,097
Related party advances	-	-	376,723	283,868	-	134,036	794,627	811,843
Other Assets	-	-	-	3,000	-	57,478	60,478	3,000
Total Assets	\$ 138,350	\$ 129,615	\$ 509,183	\$ 1,731,829	\$ 554	\$ 2,506,417	\$ 5,015,948	\$ 3,381,623
Liabilities and Partners' Equity (Deficiency)								
Liabilities	\$ 42,002	\$ 14,938	\$ 2,477	\$ 240,852	\$ 3,000	\$ 1,137,306	\$ 1,440,575	\$ 318,044
Debt	-	-	-	1,303	-	-	1,303	10,224
Deficiency in investment	-	-	-	1,406,007	-	-	1,406,007	-
Related party advances	-	83,022	56,200	5,696	133,771	-	278,689	606,252
Takla Lake First Nation advances	-	-	-	2,222,428	-	11,603	2,234,031	3,875,126
Equity (Deficit)	96,348	31,655	450,506	(2,144,457)	(136,217)	1,357,508	(344,657)	(1,428,023)
Total Liabilities and Equity	\$ 138,350	\$ 129,615	\$ 509,183	\$ 1,731,829	\$ 554	\$ 2,506,417	\$ 5,015,948	\$ 3,381,623
Revenue	\$ 2,583	\$ 5,683	\$ -	\$ 474,122	\$ 51	\$ 3,737,977	\$ 4,220,416	\$ 3,020,897
Expenses	45,514	11,297	948	528,945	6,135	3,687,280	4,280,119	2,622,421
Amortization	-	-	-	7,879	-	-	7,879	17,180
Total Expenses	45,514	11,297	948	536,824	6,135	3,687,280	4,287,998	2,639,601
Net (Loss) Income	\$ (42,931)	\$ (5,614)	\$ (948)	\$ (62,702)	\$ (6,084)	\$ 50,697	\$ (67,582)	\$ 381,296
Takla Lake First Nation Portion of (Loss) Income	\$ (14,310)	\$ (1,403)	\$ (315)	\$ (62,702)	\$ (6,084)	\$ 50,646	\$ (34,168)	\$ 247,649

**TAKLA LAKE FIRST NATION
TANGIBLE CAPITAL ASSETS
FOR THE YEAR ENDED MARCH 31, 2018**

APPENDIX B

	COST				ACCUMULATED AMORTIZATION				NET BOOK VALUE	
	Opening Balance	Additions	Disposals	Balance End of Year	Opening Balance	Amortization	Disposals	Balance End of Year	2018	
Automotive equipment	\$ 123,288	\$ 10,000	\$ -	\$ 133,288	\$ 101,808	\$ 7,944	\$ -	\$ 109,752	\$ 23,536	
Automotive equipment under capital lease	49,200	-	-	49,200	19,926	8,782	-	28,708	20,492	
Band housing	7,141,303	1,427,838	-	8,569,141	3,823,882	128,834	-	3,952,716	4,616,425	
Buildings and infrastructure	8,762,465	1,112,740	-	9,875,205	4,087,402	167,733	-	4,255,135	5,620,070	
CMHC social housing	2,149,302	-	-	2,149,302	163,873	56,443	-	220,316	1,928,986	
Computer equipment	31,158	-	-	31,158	30,623	294	-	30,917	241	
Contracting equipment	65,305	-	-	65,305	8,163	14,285	-	22,448	42,857	
Contracting equipment under capital lease	-	156,600	-	156,600	-	-	-	-	156,600	
Equipment	249,816	-	-	249,816	245,335	896	-	246,231	3,585	
Water plant	4,297,464	-	-	4,297,464	1,549,980	109,899	-	1,659,879	2,637,585	
Waste disposal system	3,762,902	-	-	3,762,902	993,278	110,786	-	1,104,064	2,658,838	
	\$ 26,632,203	\$ 2,707,178	\$ -	\$ 29,339,381	\$ 11,024,270	\$ 605,896	\$ -	\$ 11,630,166	\$ 17,709,215	

	COST				ACCUMULATED AMORTIZATION				NET BOOK VALUE	
	Opening Balance	Additions	Disposals	Balance End of Year	Opening Balance	Amortization	Disposals	Balance End of Year	2017	
Automotive equipment	\$ 153,488	\$ 19,000	\$ 49,200	\$ 123,288	\$ 104,053	\$ 5,135	\$ 7,380	\$ 101,808	\$ 21,480	
Automotive equipment under capital lease	-	49,200	-	49,200	-	19,926	-	19,926	29,274	
Band housing	7,044,744	96,559	-	7,141,303	3,689,679	134,203	-	3,823,882	3,317,421	
Buildings and infrastructure	8,222,492	539,973	-	8,762,465	3,912,343	175,059	-	4,087,402	4,675,063	
CMHC social housing	2,149,302	-	-	2,149,302	108,512	55,361	-	163,873	1,985,429	
Computer equipment	31,158	-	-	31,158	29,970	653	-	30,623	535	
Contracting equipment	-	65,305	-	65,305	-	8,163	-	8,163	57,142	
Equipment	249,816	-	-	249,816	244,215	1,120	-	245,335	4,481	
Water plant	4,297,464	-	-	4,297,464	1,435,501	114,479	-	1,549,980	2,747,484	
Waste disposal system	3,762,902	-	-	3,762,902	877,877	115,401	-	993,278	2,769,624	
	\$ 25,911,366	\$ 770,037	\$ 49,200	\$ 26,632,203	\$ 10,402,150	\$ 629,500	\$ 7,380	\$ 11,024,270	\$ 15,607,933	