

**Tla-o-qui-aht First Nation**  
**Consolidated Financial Statements**  
*March 31, 2017*

# Tla-o-qui-aht First Nation Contents

For the year ended March 31, 2017

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## **Management's Responsibility**

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To the Members of Tla-o-qui-aht First Nation:

The accompanying consolidated financial statements of Tla-o-qui-aht First Nation are the responsibility of management and have been approved by 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 Tla-o-qui-aht First Nation Chief and Council are responsible for overseeing management in the performance of its financial reporting responsibilities, and for approving the consolidated financial statements. The Chief and Council fulfil these responsibilities by reviewing the financial information prepared by management and discussing relevant matters with management and external auditors. The Chief and Council are also responsible for recommending the appointment of the Nation's external auditors.

MNP LLP is appointed by Chief and Council to audit the consolidated financial statements and report directly to them; their report follows. The external auditors have full and free access to both Chief and Council and management to discuss their audit findings.

July 14, 2017



Chief Executive Officer

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## Independent Auditors' Report

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To the Members of Tla-o-qui-aht First Nation:

We have audited the accompanying consolidated financial statements of Tla-o-qui-aht First Nation, which comprise the consolidated statement of financial position as at 2017, and the consolidated statements of operations and accumulated surplus, 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.

### *Auditors' Responsibility*

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

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

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

### *Opinion*

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Tla-o-qui-aht First Nation as at March 31, 2017 and the results of its operations, changes in net debt and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

### *Other Matter*

The consolidated financial statements of Tla-o-qui-aht First Nation for the year ended March 31, 2016 were audited by another firm of public accountants who issued an unqualified opinion on August 23, 2016.

Nanaimo, British Columbia

July 14, 2017

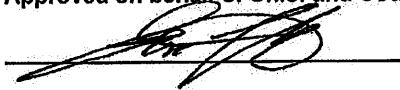
**MNP LLP**

Chartered Professional Accountants

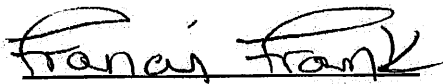
**Tla-o-qui-aht First Nation**  
**Consolidated Statement of Financial Position**  
*As at March 31, 2017*

	2017	2016 <i>Restated (Note 18)</i>
<b>Financial assets</b>		
Cash resources	2,551,611	1,177,039
Accounts receivable (Note 3)	1,721,068	1,717,810
Guaranteed investment certificate (Note 4)	453,199	1,508,926
Term investment (Note 5)	250,000	-
Funds held in trust (Note 6)	760,261	693,787
Restricted cash (Note 7)	564,012	476,002
Advances to related Nation entities and departments (Note 8)	161,708	187,108
Investment in First Nation business entities (Note 9)	5,499,156	3,403,540
<b>Total financial assets</b>	<b>11,961,015</b>	<b>9,164,212</b>
<b>Liabilities</b>		
Accounts payable and accruals	1,245,736	1,267,716
Deferred revenue (Note 10)	1,135,230	414,425
Long-term debt (Note 11)	28,205,016	27,406,326
<b>Total liabilities</b>	<b>30,585,982</b>	<b>29,088,467</b>
<b>Net debt</b>	<b>(18,624,967)</b>	<b>(19,924,255)</b>
<b>Contingencies (Note 16)</b>		
<b>Non-financial assets</b>		
Tangible capital assets (Schedule 1)	52,739,889	50,371,179
Prepaid expenses	77,466	92,237
<b>Total non-financial assets</b>	<b>52,817,355</b>	<b>50,463,416</b>
<b>Accumulated surplus (Note 13)</b>	<b>34,192,388</b>	<b>30,539,161</b>

Approved on behalf of Chief and Council



Chief



Councillor

The accompanying notes are an integral part of these financial statements

**Tla-o-qui-aht First Nation**  
**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 18)</b>
<b>Revenue</b>				
Nuu-chah-nulth Tribal Council		3,478,756	5,734,029	7,130,174
First Nations Health Authority		-	2,234,511	125,000
Other revenue and recoveries		431,550	676,518	265,265
Province of British Columbia		63,000	375,159	297,134
Canada Mortgage and Housing Corporation		198,744	221,219	205,624
Department of Fisheries and Oceans		261,618	130,809	130,809
Aboriginal Head Start Program		138,768	163,060	154,559
Rental income		834,476	838,100	745,806
Earnings (loss) from investment in First Nation business entities		300,000	613,330	(311,947)
Interest income		10,500	477,303	510,388
Property tax income		-	177,000	177,000
Lease income		32,137	286,190	628,872
Administration fees		477,416	47,384	224,095
Nuu-chah-nulth Economic Development Corporation		-	38,947	13,230
Donations		30,000	71,020	20,108
Proceeds from sale of license		-	-	676,340
Residential school settlements		-	-	75,000
British Columbia Treaty Commission		-	-	35,625
		<b>6,256,965</b>	<b>12,084,579</b>	<b>11,103,082</b>
<b>Program expenses</b>				
Administration	3	1,227,392	637,969	804,769
Public Works	4	1,180,022	4,052,893	6,416,218
Community and Human Services	5	1,225,724	1,429,971	1,425,219
Natural Resources	6	1,403,983	903,739	2,763,893
Education	7	429,787	319,454	344,760
Housing	8	1,016,980	1,087,326	1,362,190
<b>Total expenditures</b>		<b>6,483,888</b>	<b>8,431,352</b>	<b>13,117,049</b>
<b>Annual surplus (deficit)</b>		<b>(226,923)</b>	<b>3,653,227</b>	<b>(2,013,967)</b>
<b>Accumulated surplus, beginning of year, as previously stated</b>		<b>30,539,161</b>	<b>30,811,096</b>	<b>33,518,060</b>
Correction of errors (Note 18)		-	(271,935)	(964,932)
<b>Accumulated surplus, beginning of year, as restated</b>		<b>30,539,161</b>	<b>30,539,161</b>	<b>32,553,128</b>
<b>Accumulated surplus, end of year</b>		<b>30,312,238</b>	<b>34,192,388</b>	<b>30,539,161</b>

The accompanying notes are an integral part of these financial statements

**Tla-o-qui-aht First Nation**  
**Consolidated Statement of Changes in Net Debt**  
*For the year ended March 31, 2017*

	<i>2017 Budget (Note 17)</i>	<i>2017</i>	<i>2016 Restated (Note 18)</i>
<b>Annual surplus (deficit)</b>	<b>(226,923)</b>	<b>3,653,227</b>	<b>(2,013,967)</b>
Purchases of tangible capital assets	-	<b>(5,301,530)</b>	<b>(1,868,792)</b>
Amortization of tangible capital assets	-	<b>2,710,873</b>	<b>2,581,728</b>
Loss on disposal of tangible capital assets	-	<b>221,947</b>	-
Use of prepaid expenses	-	<b>14,771</b>	<b>36,509</b>
<b>Decrease (increase) in net debt</b>	<b>(226,923)</b>	<b>1,299,288</b>	<b>(1,264,522)</b>
<b>Net debt, beginning of year</b>	<b>(19,924,255)</b>	<b>(19,924,255)</b>	<b>(18,659,733)</b>
<b>Net debt, end of year</b>	<b>(20,151,178)</b>	<b>(18,624,967)</b>	<b>(19,924,255)</b>

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

**Tla-o-qui-aht First Nation**  
**Consolidated Statement of Cash Flows**  
*For the year ended March 31, 2017*

	2017	2016 <i>Restated (Note 18)</i>
<b>Cash provided by (used for) the following activities</b>		
<b>Operating activities</b>		
Annual surplus (deficit)	3,653,227	(2,013,967)
Non-cash items		
Amortization	2,710,873	2,581,728
Bad debts	7,342	297,646
Earnings (loss) from investment in First Nation business entities	(613,330)	311,947
Loss on disposal of tangible capital assets	221,947	-
	5,980,059	1,177,354
Changes in working capital accounts		
Accounts receivable	(3,258)	(892,567)
Prepaid expenses	14,771	36,509
Accounts payable and accruals	(21,980)	318,033
Deferred revenue	720,805	414,425
	6,690,397	1,053,754
<b>Financing activities</b>		
Net advances of long-term debt	798,688	283,545
<b>Capital activities</b>		
Purchases of tangible capital assets	(5,301,530)	(1,868,792)
<b>Investing activities</b>		
Purchase of guaranteed investment certificate	(450,000)	(1,500,000)
Sale of guaranteed investment certificate	1,518,100	-
Purchase of term investment	(250,000)	-
Distributions from investment in First Nation business entities	762,000	-
Increase in funds held in trust	(66,474)	(85,045)
Increase in restricted cash	(88,010)	(68,267)
Net advances from (to) related Nation entities	(2,238,599)	2,221,269
	(812,983)	567,957
<b>Increase in cash resources</b>	1,374,572	36,464
<b>Cash resources, beginning of year</b>	1,177,039	1,140,575
<b>Cash resources, end of year</b>	2,551,611	1,177,039

The accompanying notes are an integral part of these financial statements



**Tla-o-qui-aht First Nation**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2017*

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**1. Operations**

The Tla-o-qui-aht First Nation (the "Nation") is located in the province of British Columbia, and provides various services to its members. Tla-o-qui-aht First Nation includes the Nation's members, government and all related entities that are accountable to the Nation and are either owned or controlled by the Nation.

**2. Significant accounting policies**

These consolidated financial statements are the representations of management, prepared in accordance with Canadian public sector accounting standards and include the following significant accounting policies:

***Reporting entity***

The financial statements consolidate the financial activities of all entities and departments comprising the First Nation reporting entity, except for First Nation business enterprises.

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

- Operating Fund
- Trust Fund
- Social Housing Fund
- Enterprise Fund
- Treaty Fund
- Capital Fund

All inter-entity balances have been eliminated on consolidation.

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

- Tla-o-qui-aht First Nation Economic Development Corporation
- Tin Wis Resort Ltd.
- Tsix Waa Cahs Holdings Ltd.
- TFN Seafoods Limited Partnership
- TFN Business Trust; which holds interests in:
  - Haa-ak-suuk Creek Hydro Limited Partnership
  - Winchie Creek Hydro Limited Partnership
  - Canoe Creek Hydro Limited Partnership

***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.

**Tla-o-qui-aht First Nation**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2017*

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

**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 surplus. Trust moneys consist of:

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

**Net debt**

The First Nation's consolidated financial statements are presented so as to highlight net debt as the measurement of consolidated financial position. The net debt of the First Nation is determined by its financial assets less its liabilities. Net debt is comprised of two components, non-financial assets and accumulated surplus.

**Asset classification**

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

**Cash resources**

Cash resources includes 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.

**Tangible capital assets**

Tangible capital assets are recorded at cost less accumulated amortization. Contributed tangible capital assets are recorded at their fair value on the date of contribution.

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

**Amortization**

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. In the year of acquisition, amortization is taken at one-half the rates.

<b>Method Rate</b>		
Automotive equipment	straight-line	7 years
Office equipment	straight-line	3 years
General equipment	straight-line	7 years
Marine equipment	straight-line	7 years
Housing	straight-line	20 years
Infrastructure	straight-line	20-100 years
Leasehold improvements	straight-line	20 years
Software	straight-line	3 years
Buildings	straight-line	20 years
Furniture, fixtures and equipment	straight-line	5 years
Social housing	straight-line	20 years

**Tla-o-qui-aht First Nation**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2017*

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

**Revenue recognition**

i) Nuu-chah-nulth ("NTC") Funding

Revenue is recognized as it becomes receivable under the terms of NTC's funding agreement. Funding received that relates to a subsequent fiscal period is reflected as deferred revenue on the consolidated statement of financial position in the year of receipt.

ii) Government Funding

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

iii) First Nation Capital and Revenue Trust Funds

The 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 earned.

iv) Canada Mortgage and Housing Corporation ("CMHC")

CMHC revenue is recognized as it becomes receivable under the terms of the applicable funding agreements. Funding received under funding arrangements that relate to a subsequent fiscal period are reflected as deferred revenue on the consolidated statement of financial position in the year of receipt.

v) Housing rental income

Rental revenue is recorded in the year it is earned. At the end of each year management evaluates whether rent revenue is collectible and records a bad debt expense and allowance for doubtful accounts for those amounts designated as unlikely to be collected.

vi) Own source and other revenue

Own source and other revenue is recognized when performance is completed, amounts are measurable and collection is reasonably assured.

vii) Investment income

Investment income is recognized by the Nation when investment income is earned.

**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 expenditures during the reporting period.

Accounts receivable are stated after evaluation as to their collectibility and an appropriate allowance for doubtful accounts is provided where considered necessary. Amortization is based on the estimated useful lives of tangible capital assets. Liabilities for contaminated sites are based on the best information available regarding potentially contaminated sites that the Nation is responsible for.

These estimates are reviewed periodically and, as adjustments become necessary, they are reported in surplus (deficit) in the periods in which they become known.

**Tla-o-qui-aht First Nation**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2017*

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

**Long-lived assets**

Long-lived assets consist of tangible capital assets with finite useful lives. Long-lived assets held for use are measured and amortized as described in the applicable accounting policies.

The Nation performs impairment testing on long-lived assets held for use whenever events or changes in circumstances indicate that the carrying amount of an asset, or group of assets, may not be recoverable. Impairment losses are recognized when asset's service potential is reduced. Impairment is measured as the amount by which the assets' carrying amount exceeds its fair value. Any impairment is included in surplus (deficit) for the year. Prices for similar items are used to measure fair value of long-lived assets.

The Nation does not perform impairment testing on its long-lived assets that are held for public administration and situated on its reserve land as it is not possible to determine their fair market value.

**Term investments**

Term investments are valued at cost.

**Segments**

The Nation conducts its business through a number of reportable segments as described in Note 15. These operating segments are established by senior management to facilitate the achievement of the Nation's long-term objectives, to aid in resource allocation decisions, and to assess operational performance.

For each reported segment, revenue and expenses represent both amounts that are directly attributable to the segment and amounts that are allocated on a reasonable basis.

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

**Liability for contaminated site**

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, no liability for contaminated site exists.

**3. Accounts receivable**

	2017	2016 <i>Restated (Note 18)</i>
Nuu-chah-nulth Tribal Council	671,932	1,214,955
Rent receivable	591,678	410,395
Members	46,328	53,044
Goods and Services Tax receivable	19,074	111,165
Other receivables	1,119,419	672,213
	<u>2,448,431</u>	<u>2,461,772</u>
Less: Allowance for doubtful accounts	727,363	743,962
	<u>1,721,068</u>	<u>1,717,810</u>

**Tla-o-qui-aht First Nation**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2017*

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**4. Guaranteed investment certificate**

The Nation holds a GIC maturing April 24, 2019, bearing interest as follows: Year 1 - 0.75%, Year 2 - 0.80% and Year 3 - 0.85%.

**5. Term investment**

The Nation holds a \$250,000 bond deposit relating to a Winchie Creek Hydro Limited Partnership project. This deposit will be held by Canadian Western Bank until October 2017 and then returned to the Nation, unless the project construction is not complete at this time. Management expects the Winchie Creek project to be completed by this deadline.

**6. Funds held in trust**

Capital and revenue trust monies 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 Chief and Council.

	2017	2016
<b>Capital Trust</b>		
Balance, beginning and end of year	19,338	19,338
<b>Revenue Trust</b>		
Balance, beginning of year	674,449	600,604
Interest	6,031	13,438
Lease income	57,901	57,900
BC Special	2,542	2,507
Balance, end of year	740,923	674,449
	760,261	693,787

**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*.

**Tla-o-qui-aht First Nation**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2017*

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**7. Restricted cash**

Under the terms of the agreement with Canada Mortgage and Housing Corporation ("CMHC"), the replacement reserve account is to be credited in the amount of \$45,750 annually. 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. At year end, these reserves were under-funded by \$29,244.

Under the terms of the agreement with Canada Mortgage and Housing Corporation ("CMHC"), excess revenues over expenditures for the Post 1996 phases may be retained in an operating reserve. 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. At year end, the operating reserve was under-funded by \$51,165.

Restricted cash is comprised of the following:

	<b>2017</b>	<b>2016</b>
Replacement reserve	<b>179,088</b>	142,133
Operating reserve	<b>384,924</b>	333,869
	<b>564,012</b>	476,002

**8. Advances to related Nation entities and departments**

Amounts due to related Nation entities are unsecured, non-interest bearing and due on demand. These entities are related by virtue of common control or joint control by the Nation.

	<b>2017</b>	<b>2016</b>
Ma-Mook Natural Resources Ltd.	<b>161,708</b>	187,108

**Tla-o-qui-aht First Nation**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2017*

**9. Investment in First Nation business entities**

Summary financial information for each First Nation business entity, accounted for using the modified equity method, for their respective year-ends are as follows:

	<i>Investment cost</i>	<i>Loans / advances</i>	<i>Share of earnings (loss)</i>	<i>Distributions</i>	<i>2017 Total investment</i>
<b>Wholly-owned Businesses:</b>					
Tla-o-qui-aht First Nation Economic Development Corporation	(8,464)	39,250	(39,250)	-	(8,464)
Tsiix Waa Cahs Holdings Ltd.	27,783	12,694	(3,278)	-	37,199
Tin Wis Resort Ltd.	646,092	(179,525)	796,855	-	1,263,422
TFN Business Trust	-	8,875	(8,875)	-	-
Sea Trek Tours & Expeditions Ltd.	37,100	(37,100)	-	-	-
	<b>702,511</b>	<b>(155,806)</b>	<b>745,452</b>	<b>-</b>	<b>1,292,157</b>
<b>First Nation Business Partnerships – Modified Equity:</b>					
Haa-ak-suuk Creek Hydro Limited Partnership (85%)	825,095	-	(733,286)	-	91,809
Canoe Creek Hydro Limited Partnership (75%)	567,125	-	304,517	(762,000)	109,642
Winchie Creek Hydro Limited Partnership (99.99%)	-	2,406,967	(1,823)	-	2,405,144
TFN Seafoods Limited Partnership (99%)	1,308,809	(6,875)	298,470	-	1,600,404
	<b>2,701,029</b>	<b>2,400,092</b>	<b>(132,122)</b>	<b>(762,000)</b>	<b>4,206,999</b>
	<b>3,403,540</b>	<b>2,244,286</b>	<b>613,330</b>	<b>(762,000)</b>	<b>5,499,156</b>

**Tla-o-qui-aht First Nation**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2017*

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

	<i>Investment cost</i>	<i>Loans / advances</i>	<i>Share of earnings (loss)</i>	<i>Distributions</i>	<i>2016 Total investment (Restated Note 18)</i>
<b>Wholly-owned Businesses:</b>					
Tla-o-qui-aht First Nation Economic Development Corporation	(8,464)	-	-	-	(8,464)
Tsiix Waa Cahs Holdings Ltd.	24,885	7,689	(4,791)	-	27,783
Tin Wis Resort Ltd.	528,607	301,508	(184,023)	-	646,092
Sea Trek Tours & Expeditions Ltd.	118,318	(81,218)	-	-	37,100
	663,346	227,979	(188,814)	-	702,511
<b>First Nation Business Partnerships – Modified Equity:</b>					
Haa-ak-suuk Creek Hydro Limited Partnership (85%)	1,697,101	-	(872,006)	-	825,095
Canoe Creek Hydro Limited Partnership (75%)	2,927,920	-	76,705	(2,437,500)	567,125
TFN Seafoods Limited Partnership (99%)	418,515	218,126	672,168	-	1,308,809
	5,043,536	218,126	(123,133)	(2,437,500)	2,701,029
	5,706,882	446,105	(311,947)	(2,437,500)	3,403,540

*Continued on next page*



**Tla-o-qui-aht First Nation**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2017*

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

Summary financial information for each First Nation business entity, accounted for using the modified equity method, for their respective year-ends is provided below.

The First Nation's investees have a different year-end than March 31, 2017, as described below. The First Nation uses the investees' year-end financial statements to account for its investment in these investees. There have been no significant events or transactions in the interim period.

The below information was audited for the following entities: Tin Wis Resort Ltd., Haa-ak-suuk Creek Hydro Limited Partnership, Canoe Creek Hydro Limited Partnership, Winchie Creek Hydro Limited Partnership and TFN Seafoods Limited Partnership. A review engagement was performed on Tslix Waa Cahs Holdings Ltd. No assurance was provided on Tla-o-qui-aht First Nation Economic Development Corporation.

	<i>Tla-o-qui-aht First Nation Economic Development Corporation As at December 31, 2016</i>	<i>Tslix Waa Cahs Holdings Ltd. As at December 31, 2016</i>	<i>Tin Wis Resort Ltd. As at September 30, 2016</i>	<i>Haa-ak-suuk Creek Hydro Limited Partnership As at December 31, 2016</i>
<b>Assets</b>				
Cash	-	-	1,080,877	573,636
Accounts receivable	415	150	355,354	129,320
Inventory	-	-	41,640	-
Prepaid expenses	-	-	11,687	12,408
Advances to related parties	-	-	-	4,427
Property, plant and equipment	-	-	213,805	17,044,090
Investments	-	3,836,897	-	-
Restricted cash	-	-	182,572	60,043
Intangible assets	-	-	-	-
<b>Total assets</b>	<b>415</b>	<b>3,837,047</b>	<b>1,885,935</b>	<b>17,823,924</b>
<b>Liabilities</b>				
Accounts payable and accruals	1,500	3,150	571,975	786,292
Deferred revenue	-	-	2,442	-
Advances from related parties	248,690	48,453	6,805,998	10,180
Unearned government grants	-	-	-	-
Debt	-	-	-	16,919,431
<b>Total liabilities</b>	<b>250,190</b>	<b>51,603</b>	<b>7,380,415</b>	<b>17,715,903</b>
	<b>(249,775)</b>	<b>3,785,444</b>	<b>(5,494,480)</b>	<b>108,021</b>
<b>Total revenue</b>	-	-	5,964,679	2,216,843
<b>Total expenses</b>	-	3,438	5,167,824	3,079,533
<b>Comprehensive income (loss)</b>	-	(3,438)	796,855	(862,690)

**Tla-o-qui-aht First Nation**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2017*

9. Investment in First Nation business entities (Continued from previous page)

	<i>Canoe Creek Hydro Limited Partnership As at December 31, 2016</i>	<i>Winchie Creek Hydro Limited Partnership As at December 31, 2016</i>	<i>TFN Seafoods Limited Partnership As at December 31, 2016</i>
<b>Assets</b>			
Cash	1,217,532	284,708	821,950
Accounts receivable	109,778	66,713	110,600
Inventory	-	-	-
Prepaid expenses	26,897	75,355	-
Advances to related parties	5,750	-	9,587
Property, plant and equipment	11,054,502	5,165,459	59,062
Investments	-	-	-
Restricted cash	70,072	459,479	-
Intangible assets	-	-	625,000
<b>Total assets</b>	<b>12,484,531</b>	<b>6,051,714</b>	<b>1,626,199</b>
<b>Liabilities</b>			
Accounts payable and accruals	58,265	955,170	17,239
Deferred revenue	-	-	-
Advances from related parties	2,939	-	-
Unearned government grants	112,482	-	-
Debt	11,564,350	2,830,346	-
<b>Total liabilities</b>	<b>11,738,036</b>	<b>3,785,516</b>	<b>17,239</b>
	<b>746,495</b>	<b>2,266,198</b>	<b>1,608,960</b>
<b>Total revenue</b>	<b>1,868,747</b>	<b>282,756</b>	<b>410,215</b>
<b>Total expenses</b>	<b>1,462,725</b>	<b>284,579</b>	<b>111,715</b>
<b>Comprehensive income (loss)</b>	<b>406,022</b>	<b>(1,823)</b>	<b>298,500</b>

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

	<i>2018</i>	<i>2019</i>	<i>2020</i>	<i>2021</i>	<i>2022</i>	<i>Thereafter</i>	<i>Total</i>
<b>Long-term debt owed by business entities of the Nation</b>							
Haa-ak-suuk Creek Hydro Limited Partnership	41,562	51,387	75,493	87,567	100,352	16,563,070	16,919,431
Canoe Creek Hydro Limited Partnership	198,345	210,639	223,693	235,525	133,665	10,562,483	11,564,350
	<b>239,907</b>	<b>262,026</b>	<b>299,186</b>	<b>323,092</b>	<b>234,017</b>	<b>27,125,553</b>	<b>28,483,781</b>

The Nation has guaranteed Winchie Creek Hydro Limited Partnership's loan with Canadian Western Bank. The loan bears interest at prime plus 1.25%. Interest only payments are required until the earlier of 60 days following completion of the construction, or 18 months following the initial construction withdrawal. After this point, blended interest and principal monthly payments will begin over a 1-5 year fixed term rate and 30 year amortization.

**Tla-o-qui-aht First Nation**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2017*

**10. Deferred revenue**

The following table represents changes in the deferred revenue balance attributable to each funding source:

	<i>Balance, beginning of year</i>	<i>Contributions received</i>	<i>Amount spent</i>	<i>Balance, end of year</i>
NTC - 10 units Tyhistanis	304,363	-	304,363	-
NTC - LESDP land use planning	38,548	113,543	88,622	63,469
NTC - P&ID	7,587	-	7,587	-
NTC - Container housing	19,513	909,511	660,340	268,684
NTC - MICC renovations	-	241,413	139,623	101,790
NTC - Family care	-	125,104	93,136	31,968
NTC - Land use planning (DL124)	-	199,000	25,655	173,345
Other - TyHistanis health centre	-	2,472,500	2,234,511	237,989
Other - Youth worker	-	52,524	20,524	32,000
Other - Daycare centre	-	291,281	132,269	159,012
Other - Public works - Opitsaht	-	301,238	278,238	23,000
Other - Tribal parks	-	136,067	104,122	31,945
Other - Natural resources	-	564,462	552,434	12,028
Other	44,414	-	44,414	-
	<b>414,425</b>	<b>5,406,643</b>	<b>4,685,838</b>	<b>1,135,230</b>

**11. Long-term debt**

	<i>2017</i>	<i>2016</i>
Bank of Montreal loan, repayable in monthly instalments of \$951 plus interest at 3.85% per annum, secured by a general security agreement and promissory note, maturing December 31, 2018.	227,265	238,676
Bank of Montreal loan, repayable in monthly blended instalments of \$6,583, bearing interest at 3.85% per annum, secured by a general security agreement and promissory note, maturing June 30, 2020.	1,090,367	1,126,721
Bank of Montreal loan, repayable in monthly blended instalments of \$4,451, bearing interest at 3.85% per annum, secured by a general security agreement and promissory note, maturing June 30, 2020.	798,741	821,004
Bank of Montreal loan, repayable in monthly blended instalments of \$14,026, bearing interest at 3.84% per annum, secured by a general security agreement and promissory note, maturing November 30, 2020.	2,530,833	2,600,723
Bank of Montreal loan, repayable in monthly blended instalments of \$12,837, bearing interest at 3.35% per annum, secured by a general security agreement and promissory note, maturing December 31, 2018.	1,546,900	1,647,417
Bank of Montreal loan, repayable in monthly blended instalments of \$19,892, bearing interest at 3.14% per annum, secured by a general security agreement and promissory note, maturing December 31, 2017.	2,766,185	2,915,673
Bank of Montreal loan, repayable in monthly blended instalments of \$14,446, bearing interest at 3.55% per annum, secured by a general security agreement and promissory note, maturing February 28, 2021.	1,319,859	-

**Tla-o-qui-aht First Nation**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2017*

**11. Long-term debt** *(Continued from previous page)*

	2017	2016
Bank of Montreal demand loan, repayable at \$2,116 per month plus interest at prime plus 1.50%, secured by a general security agreement. This loan relates to the advance to Ma-Mook Natural Resources Ltd. as described in Note 8.	124,883	150,283
Bank of Montreal loan, repayable in monthly blended instalment of \$6,074, bearing interest at 3.71% per annum, secured by a general security agreement and promissory note, maturing February 28, 2022.	1,154,571	250,000
Bank of Montreal demand loan, bearing interest at prime plus 2.0%, secured by a general security agreement.	49,158	56,275
Bank of Montreal demand loan, repaid during the year.	-	20,141
Bank of Montreal demand loan, repayable in monthly blended instalments of \$317, bearing interest at 6.650% per annum, secured by a general security agreement.	30,837	32,377
NEDC loan, repayable in monthly blended instalments of \$13,950, bearing interest at 4.25% per annum, secured by a general security agreement and promissory note.	1,611,855	1,709,188
NEDC loan, repayable in monthly blended instalments of \$6,300, bearing interest at 6.0% per annum, secured by a general security agreement, matures September 1, 2021.	929,926	-
NEDC loan, repaid during the year.	-	1,449,370
NEDC loan, repaid during the year.	-	7,514
British Columbia Treaty Commission loan. See note 11 for details.	5,614,886	5,614,886
BDC loan, repayable in seasonable payments of \$32,730 five months of the year plus interest at 1.0% above BDC's floating base rate, secured by a general security agreement from Tin Wis Resort Ltd., shares in Tin Wis Resort Ltd., and mortgage of lease, matures July 31, 2040.	3,998,049	4,161,889
All Nations Trust Company loan, repayable in monthly blended instalments of \$6,112, bearing interest at 1.67% per annum, secured by buildings with a net book value of \$1,714,405 (2016 - \$1,770,613), matures September 1, 2032 (renewal date is October 1, 2017).	1,002,803	1,059,086
All Nations Trust Company loan, repayable in monthly blended instalments of \$3,557, bearing interest at 1.98% per annum, secured by buildings with a net book value of \$1,104,187 (2016 - \$1,131,506), matures May 1, 2039 (renewal date is May 1, 2019).	767,230	794,591
All Nations Trust Company loan, repayable in monthly blended instalments of \$4,829, bearing interest at 1.14% per annum, secured by buildings with a net book value of \$1,295,315 (2016 - \$1,340,205), matures July 1, 2036 (renewal date is June 1, 2021).	1,006,203	1,052,220
All Nations Trust Company loan, repayable in monthly blended instalments of \$7,632, bearing interest at 1.68% per annum, secured by buildings with a net book value of \$2,263,521 (2016 - \$2,327,265), matures April 1, 2038 (renewal date is April 1, 2018).	1,634,465	1,698,292
	<b>28,205,016</b>	<b>27,406,326</b>

**Tla-o-qui-aht First Nation**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2017*

**11. Long-term debt** *(Continued from previous page)*

	Principal
2018	1,261,190
2019	1,072,581
2020	1,101,877
2021	5,170,074
2022	997,576
	<hr/>
	9,603,298
Thereafter	18,601,718
	<hr/>
Total	28,205,016

**12. Treaty loan**

The First Nation has received funds from Nuuchah-nulth Tribal Council ("NTC") pursuant to an agreement the NTC had negotiated on its behalf with Indigenous and Northern Affairs Canada ("INAC") and the British Columbia Treaty Commission. Under the terms of that agreement, the NTC received both loaned and contributed funds, which it subsequently reloaned and contributed to the First Nation. The funds are to be used solely for the purpose of treaty negotiations. Repayment provisions for this loan are outlined in the First Nation Negotiation Support Agreement between INAC, NTC and the First Nation. The loan is non-interest bearing. No additional funds were received during the year.

**13. Accumulated surplus**

Accumulated surplus consists of the following:

	<b>2017</b>	2016 <i>Restated (Note 18)</i>
Equity in Ottawa Trust funds	760,261	693,787
Deficit in operating fund	(15,238,862)	(14,796,552)
Equity in tangible capital assets	42,527,412	40,709,726
Investment in First Nation business entities (enterprise fund)	5,499,156	3,403,540
Replacement and operating reserves	644,421	528,660
	<hr/>	
	34,192,388	30,539,161

**14. Economic dependence**

Tla-o-qui-aht First Nation receives a significant portion of its revenue from Indigenous and Northern Affairs Canada ("INAC") through the Nuuchah-nulth Tribal Council ("NTC") as a result of funding agreements entered into with the Government of Canada. These agreements are administered by INAC 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 agreements.

**Tla-o-qui-aht First Nation**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2017*

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**15. Segments**

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

**Administration:**

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

**Education:**

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

**Public Works:**

Includes revenue and expenditures related to capital projects.

**Natural Resources:**

Includes revenue and expenditures related to conservation and stewardship of the Nation's land and resources, as well as the activities related to the growth of revenue producing projects with the Nation.

**Community and Human Services:**

Includes revenue and expenditures related to the social assistance and health services to the members of the Nation.

**Housing:**

Includes revenue and expenses related to band owned and social housing of the members of the Nation.

**16. Contingencies**

The financial results of the CMHC Social Housing program are subject to review by CMHC. It is possible that adjustments could be made based on the results of their review.

**17. Budget information**

The disclosed budget information has been approved by the Chief and Council of Tla-o-qui-aht First Nation. The original budget was approved at the Chief and Council meeting held on March 24, 2016.

Budget information was not prepared for the full scope of activities performed by the First Nation for the year ended March 31, 2017. Budget information was not prepared, available or approved for the health operations, including First Nation Health Authority revenue and health expenditures.

**18. Correction of errors**

During the year, the First Nation determined that:

- A housing inspection was recorded twice in the prior year. For 2016, the impact of this correction has resulted in a decrease in accounts receivable of \$5,000 and a decrease in NTC revenue of \$5,000.
- Tangible capital assets were double recorded in the prior year. For 2016, the impact of this correction has resulted in an increase in tangible capital assets of \$12,008 and a decrease in amortization expense of \$12,008.
- Payments on two Tin Wis loans held in the Nation's name were incorrectly recorded as a grant contribution instead of against the investment in Tin Wis. For 2016, the impact of this correction has resulted in a decrease of other revenue and recoveries of \$14,975, an increase in interest expense of \$455 and a decrease in investments in First Nation business entities of \$15,430.
- TFN Seafoods LP received funds in the current fiscal year that related to a grant received in the previous fiscal year. For 2016, the impact of this correction has resulted in an increase in earnings (loss) from investments in First Nation business entities of \$423,260 and an increase in investments in First Nations business entities of \$423,260.

**Tla-o-qui-aht First Nation**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2017*

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**18. Correction of errors** *(Continued from previous page)*

- Accounts payable to Nuu-chah-nulth Tribal Council was understated in the prior year as the Social Assistance clawback was not recorded. For 2016, the impact of this correction has resulted in an increase in accounts payable of \$81,169 and a decrease in NTC revenue of \$81,169.
- Work in progress on the Ty-Histanis Health Centre was incorrectly expensed in the prior year instead of being capitalized. For 2016, the impact of this correction has resulted in a decrease in repairs and maintenance of \$91,677 and an increase in tangible capital assets of \$91,677.
- The CMHC buildings were amortized at a rate equal to the principal reductions on the mortgage. This is not in compliance with Canadian public sector accounting standards. For 2016, the impact of this correction has resulted in a decrease in tangible capital assets of \$697,279 and an increase in amortization expense of \$180,262.

The above errors have been corrected retrospectively and the cumulative impact of these errors on the financial statements is as follows:

Consolidated Statement of Financial Position as at March 31, 2016:

Accounts receivable decreased by \$5,000  
Tangible capital assets decreased by \$593,594  
Investments in First Nation business entities increased by \$407,830  
Accounts payable increased by \$81,169  
Accumulated surplus decreased by \$271,935

Consolidated Statement of Operations for the year ended March 31, 2016:

NTC revenue decreased by \$86,169  
Other revenues and recoveries decreased by \$14,975  
Earnings (loss) from investments in First Nation business entities increased by \$423,260  
Amortization expense increased by \$168,254  
Interest expense increased by \$455  
Repairs and maintenance decreased \$91,677  
Opening accumulated surplus decreased \$517,016  
Annual surplus decreased by \$271,935

**19. Subsequent event**

Subsequent to March 31, 2017, two loans were transferred into Tin Wis Resort Ltd.'s name. This reflects a decrease in the Nation's long-term debt of \$5,609,904.

**20. Comparative figures**

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

**Tla-o-qui-aht First Nation**  
**Schedule 1 - Consolidated Schedule of Tangible Capital Assets**  
*For the year ended March 31, 2017*

	Automotive equipment	Office equipment	General Equipment	Marine Equipment	Housing	Infrastructure	Subtotal
<b>Cost</b>							
Balance, beginning of year	51,718	284,711	686,491	177,670	11,664,525	35,526,341	48,391,456
Acquisition of tangible capital assets	48,897	37,043	123,350	-	1,686,709	12,731	1,908,730
Disposal of tangible capital assets	-	-	-	-	-	-	-
Balance, end of year	100,615	321,754	809,841	177,670	13,351,234	35,539,072	50,300,186
<b>Accumulated amortization</b>							
Balance, beginning of year	40,884	248,568	616,196	151,412	3,923,315	8,797,094	13,777,469
Annual amortization	10,881	20,878	15,998	4,040	580,422	1,426,324	2,058,543
Balance, end of year	51,765	269,446	632,194	155,452	4,503,737	10,223,418	15,836,012
<b>Net book value of tangible capital assets</b>	<b>48,850</b>	<b>52,308</b>	<b>177,647</b>	<b>22,218</b>	<b>8,847,497</b>	<b>25,315,654</b>	<b>34,464,174</b>
2016 Net book value of tangible capital assets - 2016 (Restated - Note 18)	10,834	36,143	70,295	26,258	7,741,210	26,729,247	34,613,987



**Tla-o-qui-aht First Nation**  
**Schedule 1 - Consolidated Schedule of Tangible Capital Assets**  
*For the year ended March 31, 2017*

	Subtotal	Infrastructure Work In Progress	Leasehold Improvements	Software	Buildings	Furniture, fixtures and equipment	Subtotal
<b>Cost</b>							
Balance, beginning of year	48,391,456	313,623	1,349,669	33,060	3,634,340	675,203	54,397,351
Acquisition of tangible capital assets	1,908,730	3,239,634	145,366	7,800	-	-	5,301,530
Disposal of tangible capital assets	-	(221,947)	-	-	-	-	(221,947)
Balance, end of year	50,300,186	3,331,310	1,495,035	40,860	3,634,340	675,203	59,476,934
<b>Accumulated amortization</b>							
Balance, beginning of year	13,777,469	-	142,796	5,510	999,443	643,947	15,569,165
Annual amortization	2,058,543	-	71,118	12,320	181,717	22,446	2,346,144
Balance, end of year	15,836,012	-	213,914	17,830	1,181,160	666,393	17,915,309
<b>Net book value of tangible capital assets</b>	<b>34,464,174</b>	<b>3,331,310</b>	<b>1,281,121</b>	<b>23,030</b>	<b>2,453,180</b>	<b>8,810</b>	<b>41,561,625</b>
2016 Net book value of tangible capital assets - 2016 (Restated - Note 18)	34,613,987	313,623	1,206,873	27,550	2,634,897	31,256	38,828,186

**Tla-o-qui-aht First Nation**  
**Schedule 1 - Consolidated Schedule of Tangible Capital Assets**  
*For the year ended March 31, 2017*

	Subtotal	Social Housing	Land Improvements	2017	2016
<b>Cost</b>					
Balance, beginning of year	54,397,351	7,294,578	5,670,682	67,362,611	65,493,819
Acquisition of tangible capital assets	5,301,530	-	-	5,301,530	7,070,612
Disposal of tangible capital assets	(221,947)	-	-	(221,947)	(5,201,820)
Balance, end of year	59,476,934	7,294,578	5,670,682	72,442,194	67,362,611
<b>Accumulated amortization</b>					
Balance, beginning of year	15,569,165	1,422,267	-	16,991,432	14,409,704
Annual amortization	2,346,144	364,729	-	2,710,873	2,581,728
Balance, end of year	17,915,309	1,786,996	-	19,702,305	16,991,432
<b>Net book value of tangible capital assets</b>	<b>41,561,625</b>	<b>5,507,582</b>	<b>5,670,682</b>	<b>52,739,889</b>	<b>50,371,179</b>
2016 Net book value of tangible capital assets - 2016 (Restated - Note 18)	38,828,186	5,872,311	5,670,682	50,371,179	

**Tla-o-qui-aht First Nation**  
**Schedule 2 - Schedule of Consolidated Expenses by Object**  
*For the year ended March 31, 2017*

	<b>2017 Budget (Note 17)</b>	<b>2017</b>	<b>2016 Restated (Note 18)</b>
<b>Consolidated expenses by object</b>			
ACRS projects	-	12,709	164,939
Administration	477,993	17,867	119,500
Allocation of costs to Winchle Creek Hydro Limited Partnership	-	(968,020)	-
Amortization	-	2,710,873	2,581,728
Automotive	30,120	16,539	13,421
Bad debts	-	7,342	297,646
Bank charges and interest	9,960	11,520	11,884
Biomaxx sewer	-	201,244	209,737
Community events	20,000	42,728	17,089
Community garden	-	6,927	2,982
Contracted services	218,925	435,572	1,546,526
Donations and contributions	49,398	17,887	15,196
Elders costs	-	29,197	-
Election, membership code	16,000	7,753	7,525
Equipment and furniture	176,497	55,969	360
Equipment lease	8,000	8,938	8,563
Family support	59,487	138,678	69,564
Fees, licences and dues	7,402	7,264	5,442
Food and beverage	9,600	11,551	1,597
Food fish	38,137	26,984	15,304
Freight and postage	3,750	2,701	3,153
Health	-	897	563
Honoraria	410,696	319,089	347,847
Insurance	85,476	91,591	82,071
Interest on long-term debt	666,931	810,719	759,136
Investment loss	-	11,301	94,661
Janitorial and supplies	36,860	46,574	48,161
Lost Shoe Creek water project	-	246,020	2,162,732
MTSA	148,000	185,398	182,520
Materials	111,165	101,000	91,810
Meeting	35,129	54,926	30,562
Miscellaneous	8,000	2,073	8,872
NTC capital infrastructure cost overruns	255,365	-	40,646
National child benefit	39,400	19,465	21,028
Professional fees	242,231	267,328	294,495
Rent	96,000	96,000	91,200
Repairs and maintenance	278,477	216,050	1,102,502
Residential school distributions	-	-	75,000
Salaries and benefits	1,909,493	1,955,840	1,406,528
Social assistance	389,625	484,614	461,845
Student expenses	34,400	22,551	31,820
Technical support	7,200	12,607	8,622
Telecommunications	61,750	54,688	55,978
Training	84,538	62,669	55,153
Travel	334,675	395,881	416,475
Utilities	123,208	171,848	154,666
	<b>6,483,888</b>	<b>8,431,352</b>	<b>13,117,049</b>

**Tla-o-qui-aht First Nation**  
**Administration**  
**Schedule 3 - Schedule of Revenue and Expenses**  
*For the year ended March 31, 2017*

	<b>2017 Budget (Note 17)</b>	<b>2017</b>	<b>2016 Restated (Note 18)</b>
<b>Revenue</b>			
Nuu-chah-nulth Tribal Council	705,426	931,771	989,661
Other revenue and recoveries	34,050	171,548	60,765
Administration fees	477,416	47,384	119,500
Lease income	-	57,900	-
Interest income	10,500	21,943	29,551
British Columbia Treaty Commission	-	-	35,625
	<b>1,227,392</b>	<b>1,230,546</b>	<b>1,235,102</b>
<b>Expenses</b>			
Administration (recovery)	48,306	(429,110)	(397,248)
Bad debts	-	213	88,038
Bank charges and interest	9,600	11,268	11,570
Contracted services	42,050	14,948	29,036
Election, membership code	16,000	7,753	7,525
Equipment and furniture	9,000	11,159	69,330
Equipment lease	8,000	8,938	8,563
Fees, licences and dues	5,902	6,230	5,442
Freight and postage	3,600	2,701	3,153
Honoraria	260,696	198,889	203,627
Insurance	9,756	9,785	8,500
Materials	15,012	25,980	21,664
Meeting	23,129	44,441	28,824
Miscellaneous	-	2,072	8,122
Professional fees	63,000	78,464	275,256
Rent	33,600	33,600	33,600
Repairs and maintenance	-	-	752
Salaries and benefits	575,156	490,605	278,463
Technical support	6,000	11,946	8,622
Telecommunications	44,400	48,411	44,394
Training	13,070	15,724	15,491
Travel	39,615	41,462	41,535
Utilities	1,500	2,490	10,510
	<b>1,227,392</b>	<b>637,969</b>	<b>804,769</b>
<b>Surplus before transfers</b>	-	<b>592,577</b>	<b>430,333</b>
<b>Transfers between programs</b>	-	<b>66,350</b>	<b>-</b>
<b>Annual surplus</b>	-	<b>658,927</b>	<b>430,333</b>

**Tla-o-qui-aht First Nation**  
**Public Works**  
**Schedule 4 - Schedule of Revenue and Expenses**  
*For the year ended March 31, 2017*

	<b>2017 Budget (Note 17)</b>	<b>2017</b>	<b>2016 Restated (Note 18)</b>
<b>Revenue</b>			
Nuu-chah-nulth Tribal Council	996,693	2,614,348	4,049,023
First Nations Health Authority	-	2,234,511	125,000
Province of British Columbia	-	132,269	-
Canada Mortgage and Housing Corporation	-	28,627	-
Other revenue and recoveries	-	96,589	8,162
Rental income	81,600	95,190	81,600
	<b>1,078,293</b>	<b>5,201,534</b>	<b>4,263,785</b>
<b>Expenses</b>			
ACRS projects	-	12,709	164,939
Administration	82,876	92,488	73,073
Amortization	-	2,346,144	2,204,639
Automotive	7,500	4,445	1,221
Biomaxx sewer	-	201,244	209,737
Contracted services (recovery)	5,000	(27,268)	46,219
Equipment and furniture (recovery)	2,200	38,181	(102,675)
Fees, licences and dues	1,200	533	-
Insurance	18,810	21,136	18,036
Janitorial and supplies	28,860	39,695	39,138
Lost Shoe Creek water project	-	246,020	2,162,732
MTSA	148,000	185,398	182,520
Materials	25,716	37,154	12,572
NTC capital infrastructure cost overruns	255,365	-	40,646
Professional fees	-	1,491	-
Rent	9,600	9,600	9,600
Repairs and maintenance	70,151	113,468	985,546
Salaries and benefits	407,524	579,441	247,693
Telecommunications	8,000	350	363
Training	4,000	5,742	2,380
Travel	6,000	15,934	23,179
Utilities	99,220	128,988	94,660
	<b>1,180,022</b>	<b>4,052,893</b>	<b>6,416,218</b>
<b>Surplus (deficit) before transfers</b>	<b>(101,729)</b>	<b>1,148,641</b>	<b>(2,152,433)</b>
<b>Transfers between programs</b>	<b>-</b>	<b>23,000</b>	<b>(449,424)</b>
<b>Annual surplus (deficit)</b>	<b>(101,729)</b>	<b>1,171,641</b>	<b>(2,601,857)</b>

**Tla-o-qui-aht First Nation**  
**Community and Human Services**  
**Schedule 5 - Schedule of Revenue and Expenses**  
*For the year ended March 31, 2017*

	<b>2017 Budget (Note 17)</b>	<b>2017</b>	<b>2016 Restated (Note 18)</b>
<b>Revenue</b>			
Nuu-chah-nulth Tribal Council	1,217,724	1,224,982	1,306,889
Other revenue and recoveries	-	13,178	(63,294)
Province of British Columbia	-	-	53,149
Donations	-	20,000	-
Residential school settlements	-	-	75,000
	<b>1,217,724</b>	<b>1,258,160</b>	<b>1,371,744</b>
<b>Expenses</b>			
Administration	57,989	65,667	71,454
Contracted services	3,013	195	11,167
Donations and contributions	-	-	450
Equipment and furniture	2,865	-	1,221
Family support	59,487	138,678	69,564
Fees, licences and dues	300	501	-
Food and beverage	9,600	11,551	1,597
Health	-	897	563
Honoraria	-	-	4,877
Materials	4,802	4,555	13,989
Miscellaneous	8,000	-	-
National child benefit	39,400	19,465	21,028
Professional fees	1,000	-	375
Rent	24,000	24,000	19,200
Repairs and maintenance	-	-	6,000
Residential school distributions	-	-	75,000
Salaries and benefits	364,005	337,470	304,312
Social assistance	389,625	484,614	461,845
Technical support	300	-	-
Telecommunications	2,750	2,148	4,499
Training	30,240	16,721	25,351
Travel	207,060	284,497	283,919
Utilities	21,288	39,012	48,808
	<b>1,225,724</b>	<b>1,429,971</b>	<b>1,425,219</b>
<b>Deficit before transfers</b>	<b>(8,000)</b>	<b>(171,811)</b>	<b>(53,475)</b>
<b>Transfers between programs</b>	<b>-</b>	<b>74,000</b>	<b>-</b>
<b>Annual deficit</b>	<b>(8,000)</b>	<b>(97,811)</b>	<b>(53,475)</b>

**Tla-o-qui-aht First Nation**  
**Natural Resources**  
**Schedule 6 - Schedule of Revenue and Expenses**  
*For the year ended March 31, 2017*

	2017 Budget (Note 17)	2017	2016 Restated (Note 18)
<b>Revenue</b>			
Nuu-chah-nulth Tribal Council	135,884	539,900	336,643
Province of British Columbia	63,000	242,890	243,985
Other revenue and recoveries	397,500	379,714	126,952
Department of Fisheries and Oceans	261,618	130,809	130,809
Earnings (loss) from investment in First Nation business entities	300,000	613,330	(311,947)
Interest income	-	450,396	480,837
Lease income	32,137	228,290	628,872
Property tax income	-	177,000	177,000
Nuu-chah-nulth Economic Development Corporation	-	38,947	13,230
Donations	30,000	36,515	20,108
Proceeds from sale of license	-	-	676,340
	<b>1,220,139</b>	<b>2,837,791</b>	<b>2,522,829</b>
<b>Expenses</b>			
Administration	123,977	123,976	201,165
Allocation of costs to Winchie Creek Hydro Limited Partnership	-	(968,020)	-
Automotive	22,500	11,715	11,921
Bad debts	-	1,929	21,783
Community events	-	16,885	-
Community garden	-	6,927	2,982
Contracted services	163,275	439,130	1,322,284
Donations and contributions	49,398	15,989	6,992
Elders costs	-	17,603	-
Equipment and furniture	125,432	3,397	30,478
Food fish	38,137	26,984	15,304
Honoraria	147,000	118,325	137,273
Insurance	4,662	6,664	10,259
Interest on long-term debt	212,271	540,674	575,130
Investment loss	-	11,301	94,661
Materials	7,984	15,662	16,747
Meeting	9,600	9,975	1,738
Professional fees	168,231	164,167	4,945
Rent	14,400	14,400	14,400
Repairs and maintenance	14,975	12,261	10,085
Salaries and benefits	237,291	266,833	235,237
Telecommunications	4,800	1,527	2,461
Training	2,050	5,884	3,048
Travel	58,000	39,551	45,000
	<b>1,403,983</b>	<b>903,739</b>	<b>2,763,893</b>
<b>Surplus (deficit) before transfers</b>	<b>(183,844)</b>	<b>1,934,052</b>	<b>(241,064)</b>
<b>Transfers between programs</b>	<b>-</b>	<b>(183,350)</b>	<b>449,424</b>
<b>Annual surplus (deficit)</b>	<b>(183,844)</b>	<b>1,750,702</b>	<b>208,360</b>

**Tla-o-qui-aht First Nation**  
**Education**  
**Schedule 7 - Schedule of Revenue and Expenses**  
*For the year ended March 31, 2017*

	<b>2017 Budget (Note 17)</b>	<b>2017</b>	<b>2016 Restated (Note 18)</b>
<b>Revenue</b>			
Nuu-chah-nulth Tribal Council	249,419	249,417	284,148
Other revenue and recoveries	-	2,809	43,745
Aboriginal Head Start Program	138,768	163,060	154,559
Rental income	9,600	9,600	9,600
Donations	-	14,506	-
	<b>397,787</b>	<b>439,392</b>	<b>492,052</b>
<b>Expenses</b>			
Administration	46,584	46,584	49,163
Automotive	120	379	280
Community events	20,000	25,843	17,089
Contracted services	-	4,000	1,460
Donations and contributions	-	1,898	7,754
Elders costs	-	11,594	-
Equipment and furniture	37,000	3,232	2,005
Freight and postage	150	-	-
Honoraria	3,000	1,875	2,070
Insurance	780	764	864
Janitorial and supplies	8,000	6,879	9,023
Materials	10,237	11,472	11,550
Meeting	2,400	510	-
Rent	9,600	9,600	9,600
Repairs and maintenance	4,389	147	582
Salaries and benefits	206,249	139,735	185,143
Student expenses	34,400	22,551	31,820
Technical support	900	661	-
Telecommunications	600	907	1,107
Training	35,178	18,598	7,685
Travel	9,000	10,866	7,332
Utilities	1,200	1,359	233
	<b>429,787</b>	<b>319,454</b>	<b>344,760</b>
<b>Surplus (deficit) before transfers</b>	<b>(32,000)</b>	<b>119,938</b>	<b>147,292</b>
<b>Transfers between programs</b>	<b>-</b>	<b>20,000</b>	<b>-</b>
<b>Annual surplus (deficit)</b>	<b>(32,000)</b>	<b>139,938</b>	<b>147,292</b>



**Tla-o-qui-aht First Nation**  
**Housing**  
**Schedule 8 - Schedule of Revenue and Expenses**  
*For the year ended March 31, 2017*

	<b>2017 Budget (Note 17)</b>	<b>2017</b>	<b>2016 Restated (Note 18)</b>
<b>Revenue</b>			
Canada Mortgage and Housing Corporation	198,744	192,592	205,624
Nuu-chah-nulth Tribal Council	173,610	173,612	163,810
Other revenue and recoveries	-	12,679	88,935
Rental income	743,276	733,310	654,606
Interest income	-	4,964	-
Administration fees	-	-	104,595
	<b>1,115,630</b>	<b>1,117,157</b>	<b>1,217,570</b>
<b>Expenses</b>			
Administration	118,261	118,261	121,892
Amortization	-	364,729	377,089
Bad debts	-	5,200	187,825
Bank charges and interest	360	251	313
Contracted services	5,587	4,567	136,361
Insurance	51,468	53,242	44,412
Interest on long-term debt	454,660	270,045	184,006
Materials	47,414	6,176	15,288
Miscellaneous	-	1	750
Professional fees	10,000	23,206	13,919
Rent	4,800	4,800	4,800
Repairs and maintenance	188,962	90,175	99,537
Salaries and benefits	119,268	141,756	155,680
Telecommunications	1,200	1,345	3,155
Training	-	-	1,197
Travel	15,000	3,572	15,509
Utilities	-	-	457
	<b>1,016,980</b>	<b>1,087,326</b>	<b>1,362,190</b>
<b>Annual surplus (deficit)</b>	<b>98,650</b>	<b>29,831</b>	<b>(144,620)</b>