

Tseshaht First Nation
Consolidated Financial Statements
March 31, 2017

Management's Responsibility

Independent Auditors' Report

Consolidated Financial Statements

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Management's Responsibility

To the Members of Tseshah First Nation:

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

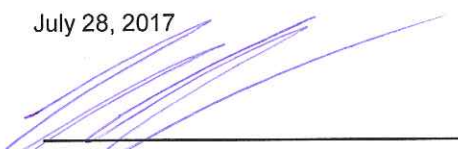
Management is responsible for the preparation and presentation of the accompanying consolidated financial statements, including responsibility for significant accounting judgments and estimates in accordance with Canadian public sector accounting standards. This responsibility includes selecting appropriate accounting principles and methods, and making decisions affecting the measurement of transactions in which objective judgment is required.

In discharging its responsibilities for the integrity and fairness of the consolidated financial statements, management designs and maintains the necessary accounting systems and related internal controls to provide reasonable assurance that transactions are authorized, assets are safeguarded and financial records are properly maintained to provide reliable information for the preparation of consolidated financial statements.

The Tseshah 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 is also responsible for recommending the appointment of the First 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, and meet periodically with, both the Chief and Council and management to discuss their audit findings.

July 28, 2017



Director of Finance

Independent Auditors' Report

To the Members of Tseshah First Nation:

We have audited the accompanying consolidated financial statements of Tseshah First Nation, which comprise the consolidated statement of financial position as at March 31, 2017, and the consolidated statements of operations and accumulated surplus, change in net debt and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of 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 Tseshah First Nation as at March 31, 2017 and the results of its operations, change in net debt and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Nanaimo, British Columbia

July 28, 2017

The logo for MNP LLP, featuring the letters 'MNP' in a large, stylized, handwritten font, followed by 'LLP' in a smaller, clean, sans-serif font.

Chartered Professional Accountants


Tseshaht First Nation
Consolidated Statement of Financial Position
As at March 31, 2017

	2017	2016
Financial assets		
Cash	2,364,740	1,374,845
Accounts receivable (Note 3)	832,345	604,946
Term investments (Note 4)	767,698	1,150,402
Inventory for resale (Note 5)	177,960	137,978
Restricted cash (Note 6)	1,509,634	1,383,687
Funds held in trust (Note 7)	154,256	148,662
Investment in First Nation business enterprises (Note 8)	5,024,206	4,529,893
Investment in First Nation business partnerships (Note 8)	31,291	78,634
Portfolio investments (Note 8)	45,000	25,000
Total financial assets	10,907,130	9,434,047
Financial liabilities		
Accounts payable	1,063,741	956,298
Deferred revenue (Note 9)	358,065	375,007
Demand loan (Note 10)	275	-
Long-term debt (Note 11), (Note 12)	11,938,444	12,472,818
Total of financial liabilities	13,360,525	13,804,123
Net debt	(2,453,395)	(4,370,076)
Contingencies (Note 13)		
Non-financial assets		
Tangible capital assets (Schedule 1)	20,110,384	20,911,604
Prepaid expenses	32,925	34,586
Total non-financial assets	20,143,309	20,946,190
Accumulated surplus (Note 14)	17,689,914	16,576,114

Approved on behalf of the Chief and Council



Chief
Councillor



Councillor

Tseshaht First Nation

Consolidated Statement of Operations and Accumulated Surplus

For the year ended March 31, 2017

	Schedules	2017 Budget (Note 18)	2017	2016
Revenue				
Sales		512,999	8,540,965	8,519,901
Nuu-chah-nulth Tribal Council - CFNFA		3,460,786	3,764,630	3,499,872
Nuu-chah-nulth Tribal Council - non CFNFA		559,432	1,067,302	903,126
Earnings from investment in First Nation business enterprises (Note 8)		-	843,657	1,132,632
Rental income		79,600	548,337	497,245
Fish license fees		224,500	252,807	259,192
Fees		39,000	190,490	93,074
Canada Mortgage and Housing Corporation		-	179,883	251,298
Other revenue		60,000	171,938	225,344
Province of B.C.		146,000	159,147	153,051
Government of Canada		125,040	154,295	125,040
First Nations Health Authority		110,268	119,488	116,468
Lease income		8,100	57,200	60,000
Nuu-chah-nulth Employment & Training Board		52,000	56,336	60,735
Administration recoveries		40,000	56,251	119,590
Interest income		1,200	41,802	51,271
Other grants		4,000	29,000	16,825
Nuu-chah-nulth Economic Development Corporation		-	19,311	21,435
First Nation Education Steering Committee		6,500	16,430	5,496
BC Special		-	2,707	2,673
Loss from investment in First Nation business partnerships (Note 8)		-	(47,343)	(29,899)
		5,429,425	16,224,633	16,084,369
Expenses				
Operating	3	4,881,898	6,184,041	6,248,042
Trust	4	-	9,500	10,500
Social Housing	5	-	623,896	640,208
Enterprise	6	-	8,227,447	8,197,348
Treaty	7	-	65,949	82,357
		4,881,898	15,110,833	15,178,455
Surplus before other items		547,527	1,113,800	905,914
Other income				
Forgiveness of debt		-	-	97,124
Loss on disposal of tangible capital assets		-	-	(2,753)
		-	-	94,371
Annual surplus		547,527	1,113,800	1,000,285
Accumulated surplus, beginning of year		16,576,114	16,576,114	15,575,829
Accumulated surplus, end of year		17,123,641	17,689,914	16,576,114

The accompanying notes are an integral part of these financial statements

Tseshah First Nation
Consolidated Statement of Change in Net Debt
For the year ended March 31, 2017

	2017 Budget (Note 18)	2017	2016
Annual surplus (deficit)	547,527	1,113,800	1,000,285
Purchases of tangible capital assets	(440,912)	(827,005)	(749,323)
Amortization of tangible capital assets	-	1,628,225	1,733,321
Loss on disposal of tangible capital assets	-	-	2,753
	(440,912)	801,220	986,751
Acquisition of prepaid expenses	-	(32,925)	(34,586)
Use of prepaid expenses	-	34,586	72,095
	-	1,661	37,509
Increase in net debt	106,615	1,916,681	2,024,545
Net debt, beginning of year	(4,370,076)	(4,370,076)	(6,394,621)
Net debt, end of year	(4,263,461)	(2,453,395)	(4,370,076)

Tseshaht First Nation
Consolidated Statement of Cash Flows
For the year ended March 31, 2017

	2017	2016
Cash provided by (used for) the following activities		
Operating activities		
Annual surplus	1,113,800	1,000,285
Non-cash items		
Amortization	1,628,225	1,733,321
Bad debts	55,998	3,620
Forgiveness of debt	-	97,124
Loss on disposal of tangible capital assets	-	2,753
Loss from investment in First Nation business partnerships	47,343	29,899
Earnings from investment in First Nation business enterprises	(843,657)	(1,132,632)
	2,001,709	1,734,370
Changes in working capital accounts		
Accounts receivable	(252,054)	59,303
Prepaid expenses	1,661	37,509
Inventory for resale	(39,982)	19,734
Accounts payable and accruals	107,445	(981,253)
Deferred revenue	(16,942)	30,808
	1,801,837	900,471
Financing activities		
Advances of long-term debt	677,929	415,601
Repayment of long-term debt	(1,212,304)	(623,554)
Advances of demand loan	275	(72)
	(534,100)	(208,025)
Capital activities		
Purchases of tangible capital assets	(827,005)	(749,323)
Investing activities		
Purchase of term investments	(22,695)	(718,361)
Proceeds on disposal of term investments	405,399	-
Increase in restricted cash	(125,947)	(85,565)
Increase in funds held in trust	(5,594)	(5,670)
Advances to related parties	-	(237,841)
Withdrawals from First Nation business enterprises	318,000	-
Increase in portfolio investments	(20,000)	-
	549,163	(1,047,437)
Increase (decrease) in cash resources	989,895	(1,104,314)
Cash, beginning of year	1,374,845	2,479,159
Cash, end of year	2,364,740	1,374,845

The accompanying notes are an integral part of these financial statements

1. Operations

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

2. Significant accounting policies

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

Reporting entity consolidated

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

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

- Tseshaht Market (Wholly owned)
- Tseshaht Somass Society (Wholly owned)
- Tseshaht Development Society (Wholly owned)
- Social Housing

All inter-entity balances have been eliminated on consolidation; however, transactions between departments have not been eliminated in order to present the results of operations for each specific department.

Tseshaht First Nation business enterprises, owned or controlled by the First Nation's Chief and Council but not dependent on the First Nation for their continuing operations, are included in the consolidated financial statements using the modified equity method.

First Nation business partnerships, jointly owned and controlled by the First Nation's Chief and Council are not dependent on the First Nation for their continuing operations, are included in the consolidated financial statements using the modified equity method.

Under the modified equity method, the equity method of accounting is modified only to the extent that the business entity accounting principles are not adjusted to conform to those of the First Nation. Thus, the First 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:

- Tseshaht Forestry Corporation (Wholly owned)
- Omoah Forestry LLP and its General Partner, Omoah Forestry Corporation (Wholly owned)
- Cissaa Forestry LLP, and its General Partner, Cissaa Forestry Corporation (Wholly owned)
- Ekoolthaht Marine LLP, and its General Partner, Ekoolthaht Marine Corporation (Wholly owned)
- Tseshaht Fisheries Corporation (Wholly owned)
- Equis Forest Products Ltd. (51% ownership)
- Alberni Ice Limited Partnership and its General Partner, 1009678 B.C. Ltd. (50% ownership)
- Tseshaht Economic Development Corporation (Wholly owned)

Cash and cash equivalents

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

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

Tangible capital assets

Tangible capital assets exceeding \$1,000 are initially recorded at cost less accumulated amortization. Contributed tangible assets are recorded at their fair value at the date of contribution.

Amortization

Amortization for tangible capital assets is provided 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 of the rates. See below for amortization rates of specific asset categories.

All intangible assets and items inherited by the right of the First Nation, such as reserve land, forests, water and mineral resources, are not recognized in the First Nation's consolidated financial statements. Thunderbird poles have an unlimited useful life, and are therefore no longer depreciated.

	Method	Years/Rate
Automotive equipment	straight-line	5 years
Boat	straight-line	10 years
Community buildings	straight-line	20 years
Computer equipment	straight-line	3 years
Dock and gazebo	straight-line	10 years
Housing	straight-line	20 years
Infrastructure	straight-line	20 years
Office equipment	straight-line	5 years
Other equipment	straight-line	5 years
Paving	straight-line	10 years
Shellfish licenses	straight-line	20 years
Social Housing	straight-line	30 years

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.

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 First 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. The carrying amount of a long-lived asset is not recoverable if the carrying amount exceeds the sum of the undiscounted future cash flows from its use and disposal. Impairment is measured as the amount by which the asset's carrying amount exceeds its fair value. Fair value is measured using prices for similar items. Any impairment is included in operations for the year.

The First 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.

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

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.

Net debt

The First Nation's consolidated financial statements are presented so as to highlight net debt as the measurement of financial position. The net debt of the First Nation is determined by its financial assets less its liabilities. Net debt combined with non-financial assets comprise a second indicator of financial position, accumulated surplus.

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 are 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.

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.

Revenue recognition

Non-government Funding

Revenue is recognized as it becomes receivable under the terms of 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.

Government Transfers

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

Funds held in trust

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

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

Sales

Revenue from the sale of goods is recognized when the significant risks and rewards of ownership of the goods have been transferred to the buyer and collection is reasonably assured.

Other Revenue

Other revenue is recognized when it is probable that the economic benefits associated with a transaction will flow to the First Nation and when the amount of revenue can be reliably measured and collectibility is reasonably assured. Revenue is measured at the fair value of the consideration received or receivable.

Measurement uncertainty

The preparation of consolidated financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenue and expenses during the reporting period.

Accounts receivable are stated after evaluation as to their collectability and an appropriate allowance for doubtful accounts is provided where considered necessary. Amortization is based on the estimated useful lives of tangible capital assets.

Inventories are valued at lower of cost and net realizable value using the first in, first out costing method. Net realizable value is the estimated selling price in the ordinary course of business, less estimated selling costs.

Expenditures that relate to on-going environmental and remediation programs are charged against operations as incurred. A liability for a contaminated site reflects management's best estimate of the amount required to remediate the contaminated site. The best estimate of the liability is based upon assumptions and estimates related to the amount and timing of costs for future site remediation.

Changes to the underlying assumptions and estimates or legislative changes in the near term could have a material impact on the provision recognized.

These estimates are reviewed periodically and, as adjustments become necessary, they are reported in operations in the periods in which they become known.

Financial instruments

The First Nation's financial instruments consist of cash, accounts receivable, term investments, funds held in trust, accounts payable, portfolio investments, restricted cash, demand loan and long-term debt. Unless otherwise noted, it is management's opinion that the First Nation is not exposed to significant interest, credit or currency risks arising from these financial instruments.

Segments

The First Nation conducts its business through five reportable segments as described in Note 16. These operating segments are established by senior management to facilitate the achievement of the First Nation's long-term objectives to aid in resource allocation decisions, and to assess operational performance.

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

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

Tseshahat First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2017

3. Accounts receivable

	2017	2016
Nuu-chah-nulth Tribal Council	395,001	164,401
Canadian Mortgage and Housing Corporation (CMHC)	46,305	64,724
Other government agencies	35,509	21,610
Pacific Integrated Commercial Fisheries Initiative	65,000	65,000
Rent receivables	16,523	53,689
Province of British Columbia	31,085	5,207
Goods and service tax receivable (payable)	(9,912)	(1,780)
Other receivables	252,834	232,095
	832,345	604,946

4. Term investments

	2017	2016
Internally restricted		
Guaranteed Investment Certificate (GIC) maturing August 23, 2021, bearing interest as follows: Year 1 - 1.00%, Year 2 - 1.10%, Year 3 - 1.30%, Year 4 - 1.60%, Year 5 - 1.75% (a reserve fund established by the Board of Directors of Tseshahat Market for future fuel system upgrades and expansion)	285,788	271,919
Term deposits		
GIC maturing August 23, 2019, bearing interest as follows: Year 1 - 0.75%, Year 2 - 0.80%, Year 3 - 0.85%	181,910	173,083
GIC maturing June 15, 2020, bearing interest as follows: Year 1 - 1.10%, Year 2 - 1.15%, Year 3 - 1.20%, Year 4 - 1.40% and Year 5 - 1.60%	100,000	100,000
GIC maturing June 15, 2020, bearing interest as follows: Year 1 - 1.10%, Year 2 - 1.15%, Year 3 - 1.20%, Year 4 - 1.40% and Year 5 - 1.60%	200,000	200,000
427,813 units of Bank of Montreal Series 16 - Cashed during the year	-	405,400
	767,698	1,150,402

5. Inventory for resale

	2017	2016
Tseshahat Market	177,960	137,978

Tseshaht First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2017

6. Restricted cash

	2017	2016
Social Housing Replacement Reserve	379,799	315,053
Social Housing Operating Reserve	171,082	128,416
Trust cash	419,172	413,469
Trust investments	539,581	526,749
	1,509,634	1,383,687

Social Housing Reserves

Under the terms of the agreement with Canada Mortgage and Housing Corporation, the replacement reserve account is to be credited in the amount of \$62,888 (2016 - \$62,460) 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, this reserve was adequately funded (2016 - underfunded by \$1,951).

Under the terms of the agreement with Canada Mortgage and Housing Corporation, 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 adequately funded (2016 - underfunded by \$2,064).

Trust

The purpose of the Tseshaht Trust is to hold and protect a past specific claim settlement intended for its beneficiary, the First Nation. As at March 31, 2017, the fair market value of the investments held in Trust is \$957,413 (2016 - \$933,373).

7. Funds held in trust

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

	2017	2016
Capital Trust		
Balance, beginning and end of year	78,605	78,605
Revenue Trust		
Balance, beginning of year	70,057	64,387
Interest	2,887	2,997
British Columbia special distribution	2,707	2,673
Balance, end of year	75,651	70,057
	154,256	148,662

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*.

Tseshahat First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2017

8. Long-term investments

The First Nation uses the investees year-end financial statements to account for its investment in these investees. Equis Forest Products Ltd. has an October 31, 2016 year-end and the remainder of the investees have a December 31, 2016 year-end.

There were no significant transactions between the year-end dates of the investees and March 31, 2017.

	<i>Investment cost</i>	<i>Loans / advances</i>	<i>Share of earnings (loss)</i>	<i>Other adjustments</i>	<i>2017 Total investment</i>
Portfolio Investments:					
Coast Forest Management Ltd.	25,000	-	-	-	25,000
1054423 BC Ltd.	20,000	-	-	-	20,000
	45,000	-	-	-	45,000
First Nation Business Enterprises:					
Tseshahat Fisheries Corporation - 100%	1	1,778	-	-	1,779
Tseshahat Economic Development Corporation - 100%	(4,834)	305,043	(7,017)	-	293,192
Tseshahat Forestry Corporation - 100%	(492,357)	958,534	26,343	-	492,520
Equis Forest Products Ltd. - 51%	98,187	8,608	(25,993)	-	80,802
Omoah Forestry LLP - 99%	777,863	1,991,552	739,180	(159,000)	3,349,595
Cisaa Forestry LLP - 99%	1,497,881	(618,367)	111,690	(159,000)	832,204
Ekoolthaht Marine LLP - 99%	(8,453)	(16,886)	(546)	-	(25,885)
	1,868,288	2,630,262	843,657	(318,000)	5,024,207
First Nation Business Partnerships:					
Alberni Ice LP - 50%	78,634	-	(47,343)	-	31,291
	1,991,922	2,630,262	796,314	(318,000)	5,100,498

	<i>Investment cost</i>	<i>Loans / advances</i>	<i>Share of earnings (loss)</i>	<i>Other adjustments</i>	<i>2016 Total investment</i>
Portfolio Investment					
Coast Forest Management Ltd.	25,000	-	-	-	25,000
First Nation Business Enterprises:					
Tseshahat Fisheries Corporation - 100%	1	1,603	-	-	1,604
Tseshahat Economic Development Corporation - 100%	3,005	292,682	(7,839)	-	287,848
Tseshahat Forestry Corporation - 100%	(459,190)	924,505	(33,167)	-	432,148
Tsisha Investments Ltd. - 100%	(99,870)	-	-	99,870	-
Shahowis Holdings Ltd. - 100%	2,746	-	-	(2,746)	-
Equis Forest Products Ltd - 51%	115,165	4,200	(16,978)	-	102,387
Omoah Forestry LLP - 99%	224,792	2,110,470	553,071	-	2,888,333
Cisaa Forestry LLP - 99%	855,851	(652,146)	642,030	-	845,735
Ekoolthaht Marine LLP - 99%	(3,968)	(19,709)	(4,485)	-	(28,162)
	638,532	2,661,605	1,132,632	97,124	4,529,893

Tseshaht First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2017

8. **Long-term investments** *(Continued from previous page)*

First Nation Business Partnerships:

Alberni Ice LP - 50%	108,533	-	(29,899)	-	78,634
	772,065	2,661,605	1,102,733	97,124	4,633,527

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

	<i>Tseshaht Forestry Corporation As at December 31, 2016</i>	<i>Omoah Forestry LLP As at December 31, 2016</i>
Assets		
Cash	239,772	1,853,618
Forestry contracts	-	2,100,000
Property, plant and equipment	30,654	-
Other	49,788	481,193
Due from related parties	101,521	10,979
Total assets	421,735	4,445,790
Liabilities		
Silviculture liabilities	-	-
Due to related parties	843,843	2,317,849
Other	43,905	609,380
Total liabilities	887,748	2,927,229
Retained earnings	(466,013)	1,518,561
Total revenue	293,215	2,268,634
Total expenses	294,359	1,528,161
Net income (loss)	(1,144)	740,473
Other comprehensive income (loss)	2,178	-
Comprehensive income (loss)	1,034	740,473

Tseshaht First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2017

8. Long-term investments (Continued from previous page)

	<i>Cisaa Forestry LLP As at December 31, 2016</i>	<i>Ekoolthaht Marine LLP As at December 31, 2016</i>	<i>Tseshaht Fisheries Corporation As at December 31, 2016</i>	<i>Equis Forest Products Ltd. As at October 31, 2016</i>
Assets				
Cash	691,860	46,755	-	218,653
Forestry contracts	-	-	-	-
Property, plant and equipment	-	-	-	825
Other	645,451	2,808	9	15,443
Due from related parties	627,400	17,591	-	-
Total assets	1,964,711	67,154	9	234,921
Liabilities				
Silviculture liabilities	158,539	-	-	108,753
Due to related parties	23,985	74,393	1,787	-
Other	171,005	1,501	-	27,291
Total liabilities	353,529	75,894	1,787	136,044
Retained earnings	1,611,182	(8,740)	(1,778)	98,877
Total revenue	939,846	32,629	-	6,125
Total expenses	827,337	32,898	-	54,246
Net income (loss)	112,509	(269)	-	(48,121)
Other comprehensive income (loss)	-	-	-	(2,847)
Comprehensive income (loss)	112,509	(269)	-	(50,968)
	<i>Alberni Ice LP As at December 31, 2016</i>	<i>Tseshaht Economic Development Corporation As at December 31, 2016</i>		
Assets				
Cash	46,273	217,708		
Forestry contracts	-	-		
Property, plant and equipment	128,665	1,223,944		
Other	16,820	-		
Due from related parties	-	-		
Total assets	191,758	1,441,652		
Liabilities				
Silviculture liabilities	-	-		
Due to related parties	129,606	304,463		
Other	-	1,149,040		
Total liabilities	129,606	1,453,503		
Retained earnings	62,152	(11,851)		
Total revenue	73,510	103		
Total expenses	168,196	7,119		
Net income (loss)	(94,686)	(7,016)		
Other comprehensive income (loss)	-	-		
Comprehensive income (loss)	(94,686)	(7,016)		

Tseshaht First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2017

9. Deferred revenue

The following table represents changes in the deferred revenue balance attributable to each major category of external restrictions:

	<i>Balance, beginning of year</i>	<i>Contributions received</i>	<i>Contributions recognized</i>	<i>Balance, end of year</i>
Deferred revenue	67,122	68,981	67,122	68,981
Rent deposits	19,446	669	-	20,115
Grants for acquiring tangible capital assets - Tseshaht Market	288,439	-	19,470	268,969
	375,007	69,650	86,592	358,065

10. Demand loan

As at March 31, 2017, the First Nation had available a revolving demand facility with a credit limit of \$737,500, bearing interest at prime plus 1.25%, of which \$275 (2016 - \$nil) was outstanding at year-end. This credit facility is secured by a general security agreement.

11. Long-term debt

	2017	2016
CMHC Phase 1 - All Nations Trust		
- Interest at 2.04% per annum		
- Monthly blended payments of \$15,771		
- Maturity date of January 2034; due March 2019		
- Secured by a guarantee of the First Nation and the Government of Canada	2,696,259	2,829,386
CMHC Phase 2 - All Nations Trust		
- Interest at 0.96% per annum		
- Monthly blended payments of \$7,131		
- Maturity date of September 2036; due September 2021		
- Secured by a guarantee of the First Nation and The Government of Canada	1,521,336	1,589,472
CMHC Phase 3 - All Nations Trust		
- Interest at 1.67% per annum		
- Monthly blended payments of \$1,575		
- Maturity date of June 2038; due June 2018		
- Secured by a guarantee of the First Nation and the Government of Canada	338,104	351,272
CMHC Phase 4 - All Nations Trust		
- Interest at 1.83% per annum		
- Monthly blended payments of \$2,492		
- Maturity date of December 2039; due December 2019		
- Secured by a guarantee of the First Nation and the Government of Canada	556,446	576,031

Tseshah First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2017

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

Bank of Montreal		
- Repaid during the year	-	334,747
Bank of Montreal - demand loan		
- Interest at bank prime plus 1.25% per annum		
- Monthly payments of \$14,167, plus interest		
- Secured by a promissory note and a charge against specific assets with a net book value of \$6,775,391	2,337,500	2,507,500
Nuu-chah-nulth Economic Development Corporation ("NEDC") Loan #2012012C		
- Interest at 12.00% per annum		
- Monthly blended payments of \$561		
- Maturity date of June 2022		
- Secured by a promissory note	16,232	24,580
Nuu-chah-nulth Economic Development Corporation ("NEDC") Loan #2012012CF		
- \$1 forgivable for every \$1 paid on loan NEDC #2012012C		
- Secured by a promissory note	1,990	10,255
Nuu-chah-nulth Economic Development Corporation ("NEDC") Loan #2012013C		
- Interest at 8.00% per annum		
- Monthly blended payments of \$675		
- Maturity date of June 2019		
- Secured by a promissory note	16,379	22,932
Nuu-chah-nulth Economic Development Corporation ("NEDC") Loan #2013006C		
- Repaid during the year	-	939
Nuu-chah-nulth Economic Development Corporation ("NEDC") Loan #20115011N		
- Interest at 8.00% per annum		
- Monthly blended payments of \$2,265		
- Maturity date of June 2017		
- Secured by a promissory note	6,663	32,357
Nuu-chah-nulth Economic Development Corporation ("NEDC") Loan #20115011NF		
- Repaid during the year	-	7,138
Nuu-chah-nulth Tribal Council ("NTC") Treaty Loan		
- See Note 12 for details	2,810,604	2,810,604
Market Nuu-chah-nulth Economic Development Corporation ("NEDC") Loan #2011004N		
- Interest at 6.00% per annum		
- Monthly blended payments of \$10,642		
- Maturity date of January 2027		
- Secured by a promissory note	962,518	1,035,004
Ford Credit Financing		
- 0% interest		
- Monthly payments of \$1,172		
- Maturity date of December 2021	66,801	-

Tseshaht First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2017

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

CMHC Phase 5 - All Nations Trust		
- Interest at 1.46% per annum		
- Monthly blended payments of \$2,604		
- Maturity date of March 2042; due March 2022		
- Secured by a guarantee of the First Nation and the Government of Canada		
	607,612	340,601
	11,938,444	12,472,818

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

	Principal
2018	538,437
2019	539,831
2020	542,869
2021	535,227
2022	550,475

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 and repayment is to commence on September 2, 2021.

13. Contingencies

- (a) The First Nation has entered into an agreement to guarantee mortgages of Members' residences on reserve to a limit of \$3,000,000. The total amount of outstanding guarantees as at March 31, 2017 is \$1,413,972 (2016 - \$1,360,918). These loan guarantees are in addition to CMHC mortgages.
- (b) The First Nation has received funding from CMHC to provide major renovations to the homes of certain of its members. This funding becomes repayable in the event that the member does not remain in the house for a period of five years.
- (c) The First Nation is contingently liable for guarantees of mortgages of Members' residences situated on reserve. The total amount of such mortgages at March 31, 2017 is \$175,196 (2016 - \$243,661). These loan guarantees are in addition to CMHC On-Reserve Non-Profit Housing Program Mortgages.
- (d) The First Nation is liable for the costs of future removal of fuel storage tanks and site restoration at the Tseshaht Market. These costs cannot be reasonably estimated at this time.

Tseshaht First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2017

14. Accumulated surplus

Accumulated annual surplus is comprised of the following:

	2017	2016
Equity in Funds held in trust	1,113,009	1,088,906
Equity in Operating Fund - operations	2,753,587	1,971,426
Equity in Operating Fund - tangible capital assets	10,982,544	11,249,390
Equity in Social Housing Fund	550,881	443,469
Equity in Enterprise Fund	5,100,497	4,633,527
Deficit in Treaty Fund	(2,810,604)	(2,810,604)
	17,689,914	16,576,114

15. Related party transactions

During the year the First Nation charged management fees to the following business enterprises:

	2017	2016
Tseshaht Forestry Corporation	19,849	20,251
Cisaa Forestry LLP	32,171	32,802
Cisaa Forestry Corporation	1,542	1,570
Omoah Forestry LLP	32,171	32,801
Omoah Forestry Corporation	1,542	1,570
Ekoolthaht Marine LLP	2,688	2,734
Ekoolthaht Marine Corporation	1,294	1,316
Equis Forest Products	16,085	16,399
	107,342	109,443

The above transactions were conducted in the normal course of operations and measured at the exchange amount, which is the amount of consideration established and agreed to by the Nation and the related parties.

16. Segments

The First 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:

Operating

Includes general operations, support and financial management of the First Nation. Additionally, it includes activities related to education, health and community infrastructure.

Trust

Includes activities related to funds held in trust and a specific claim trust.

Social Housing

Includes revenue and expenses relating to the social housing of the members of Tseshaht First Nation.

Enterprise

Includes activities related to the growth of revenue producing projects with the First Nation.

Treaty

Includes activities related to the treaty negotiation with the Federal government.

Tseshaht First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2017

17. Economic dependence

Tseshaht First Nation receives a significant portion of its revenue from Indigenous and Northern Affairs Canada, ("INAC") via Nuu-chah-nulth Tribal Council ("NTC") as a result of funding agreements entered into with the Government of Canada. These funding 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.

18. Budget information

Budgets were not prepared for all segments and all departments in 2017. As such, the budget figures in the Consolidated Statement of Operations and Accumulated Surplus are not presented for the same scope of activities as the actual results.

The disclosed budget information has been approved by the Chief and Council of the Tseshaht First Nation at the Tseshaht Community Budget Meeting held on May 9, 2016.

Chief and Council has not budgeted for the follow segments:

- Trust
- Social Housing
- Enterprise
- Treaty

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

Budgeted annual surplus, per the Statement of Operations and Accumulated Surplus	\$547,527
Adjusted for:	
Chief and Council approved transfers	(151,005)
Purchase of tangible capital assets	(440,912)
<hr/>	
Budgeted deficit approved by Chief and Council	\$ (44,390)

19. Comparative figures

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

Tseshah First Nation
Schedule 1 - Consolidated Schedule of Tangible Capital Assets
For the year ended March 31, 2017

	<i>Automotive equipment</i>	<i>Boat</i>	<i>Community buildings</i>	<i>Computer equipment</i>	<i>Dock and gazebo</i>	<i>Housing</i>	<i>Subtotal</i>
Cost							
Balance, beginning of year	182,111	152,061	18,606,944	155,147	419,658	2,183,659	21,699,580
Acquisition of tangible capital assets	103,474	17,974	377,460	1,030	-	-	499,938
Construction-in-progress	-	-	-	-	-	-	-
Disposal of tangible capital assets	-	-	-	-	-	-	-
Transfer of finished construction-in-progress	-	-	-	-	-	-	-
Balance, end of year	285,585	170,035	18,984,404	156,177	419,658	2,183,659	22,199,518
Accumulated amortization							
Balance, beginning of year	133,301	70,128	11,611,330	139,915	104,941	2,072,097	14,131,712
Annual amortization	27,344	16,106	804,269	10,067	41,966	63,938	963,690
Accumulated amortization on disposals	-	-	-	-	-	-	-
Balance, end of year	160,645	86,234	12,415,599	149,982	146,907	2,136,035	15,095,402
Net book value of tangible capital assets	124,940	83,801	6,568,805	6,195	272,751	47,624	7,104,116
2016 Net book value of tangible capital assets	48,810	81,933	6,995,614	15,232	314,717	111,562	7,567,868

Tseshaht First Nation
Schedule 1 - Consolidated Schedule of Tangible Capital Assets
For the year ended March 31, 2017

	<i>Subtotal</i>	<i>Infrastructure</i>	<i>Land</i>	<i>Office equipment</i>	<i>Other equipment</i>	<i>Paving</i>	<i>Subtotal</i>
Cost							
Balance, beginning of year	21,699,580	8,577,128	2,042,260	148,881	1,738,643	19,000	34,225,492
Acquisition of tangible capital assets	499,938	11,595	-	8,954	21,203	58,797	600,487
Construction-in-progress	-	-	-	-	-	-	-
Disposal of tangible capital assets	-	-	-	-	-	-	-
Transfer of finished construction-in-progress	-	-	-	-	-	-	-
Balance, end of year	22,199,518	8,588,723	2,042,260	157,835	1,759,846	77,797	34,825,979
Accumulated amortization							
Balance, beginning of year	14,131,712	4,406,475	-	142,871	1,387,411	18,050	20,086,519
Annual amortization	963,690	345,841	-	3,851	47,912	3,890	1,365,184
Accumulated amortization on disposals	-	-	-	-	-	-	-
Balance, end of year	15,095,402	4,752,316	-	146,722	1,435,323	21,940	21,451,703
Net book value of tangible capital assets	7,104,116	3,836,407	2,042,260	11,113	324,523	55,857	13,374,276
2016 Net book value of tangible capital assets	7,567,868	4,170,653	2,042,260	6,010	351,232	950	14,138,973

Tseshaht First Nation
Schedule 1 - Consolidated Schedule of Tangible Capital Assets
For the year ended March 31, 2017

	<i>Subtotal</i>	<i>Shellfish licenses</i>	<i>Social housing</i>	<i>Thunderbird poles</i>	<i>2017</i>	<i>2016</i>
Cost						
Balance, beginning of year	34,225,492	10,914	8,095,017	44,035	42,375,458	41,659,966
Acquisition of tangible capital assets	600,487	-	644,112	-	1,244,599	207,070
Construction-in-progress	-	-	124,659	-	124,659	542,253
Disposal of tangible capital assets	-	-	-	-	-	(33,831)
Transfer of finished construction-in-progress	-	-	(542,253)	-	(542,253)	-
Balance, end of year	34,825,979	10,914	8,321,535	44,035	43,202,463	42,375,458
Accumulated amortization						
Balance, beginning of year	20,086,519	7,643	1,354,693	14,999	21,463,854	19,761,611
Annual amortization	1,365,184	546	262,495	-	1,628,225	1,733,321
Accumulated amortization on disposals	-	-	-	-	-	(31,078)
Balance, end of year	21,451,703	8,189	1,617,188	14,999	23,092,079	21,463,854
Net book value of tangible capital assets	13,374,276	2,725	6,704,347	29,036	20,110,384	20,911,604
2016 Net book value of tangible capital assets	14,138,973	3,271	6,740,324	29,036	20,911,604	

Tseshah First Nation
Schedule 2 - Schedule of Consolidated Expenses by Object
For the year ended March 31, 2017

	2017 Budget (Note 18)	2017	2016
Consolidated expenses by object			
Administration fees	-	35,403	34,830
Advertising	13,500	43,197	31,913
Amortization	-	1,628,225	1,733,321
Bad debts	-	55,998	3,620
Cultural promotion	5,000	672	900
Custom election code	-	19,521	1,699
Fire protection	60,750	71,124	66,623
Food fish expense	15,000	16,539	19,491
Honoraria	236,250	154,444	153,676
Housing grants	-	-	34,222
Infrastructure	9,519	18,267	43,288
Insurance, licenses and dues	68,680	139,806	135,618
Interest and bank charges	8,000	77,366	75,986
Interest on long-term debt	234,140	241,272	268,978
Meeting costs	14,000	7,782	6,943
Miscellaneous	42,257	35,545	30,545
National child benefit	102,641	66,379	77,756
Newsletter	3,000	1,598	2,085
Office expenses	91,500	138,403	125,705
Other expense	1,500	4,173	1,235
Cost of goods sold	-	6,889,746	6,906,887
Professional fees	135,209	432,335	519,715
Program costs	40,126	172,097	149,981
Property tax	-	17,689	16,220
Repairs and maintenance	258,601	431,774	507,891
Salaries and benefits	1,621,947	2,478,195	2,457,275
Social assistance	555,669	508,558	459,156
Student allowances	125,000	62,398	33,889
Supplies	83,548	94,040	73,031
Training	23,000	14,241	12,367
Transfer to band members	-	9,000	10,000
Travel	118,915	125,695	115,024
Tuition - Elementary/Secondary	665,145	640,568	651,983
Utilities and telephone	311,651	453,302	381,147
Vehicle	37,350	25,481	35,455
	4,881,898	15,110,833	15,178,455

Tseshah First Nation
Operating

Schedule 3 - Consolidated Schedule of Revenue and Expenses and Accumulated Surplus

For the year ended March 31, 2017

	2017 Budget (Note 18)	2017	2016
Revenue			
Nuu-chah-nulth Tribal Council - CFNFA	3,460,786	3,764,630	3,499,872
Nuu-chah-nulth Tribal Council - non CFNFA	559,432	1,067,302	903,126
Fish license fees	224,500	252,807	259,192
Fees	39,000	190,490	93,074
Province of B.C.	146,000	159,147	153,051
Government of Canada	125,040	154,295	125,040
Rental income	79,600	120,805	94,617
First Nations Health Authority	110,268	119,488	116,468
Other revenue	60,000	116,220	170,524
Sales	512,999	81,814	41,124
Nuu-chah-nulth Employment & Training Board	52,000	56,336	60,735
Administration recoveries	40,000	56,251	111,292
Other grants	4,000	29,000	16,825
Canada Mortgage and Housing Corporation	-	23,807	94,248
First Nation Education Steering Committee	6,500	16,430	5,496
Interest income	1,200	9,303	9,363
Lease income	8,100	5,600	8,600
	5,429,425	6,223,725	5,762,647

Continued on next page

Tseshaht First Nation
Operating

Schedule 3 - Consolidated Schedule of Revenue and Expenses and Accumulated Surplus

For the year ended March 31, 2017

	<i>2017 Budget (Note 18)</i>	<i>2017</i>	<i>2016</i>
Expenses			
Advertising	13,500	8,166	4,525
Amortization	-	1,194,602	1,199,069
Bad debts	-	54,640	40
Cultural promotion	5,000	672	900
Custom election code	-	19,521	1,699
Fire protection	60,750	69,770	65,581
Food fish expense	15,000	16,539	19,491
Honoraria	236,250	154,444	153,676
Housing grants	-	-	34,222
Infrastructure	9,519	18,267	43,288
Insurance, licenses and dues	68,680	81,318	79,691
Interest and bank charges	8,000	9,677	8,924
Interest on long-term debt	234,140	74,636	82,587
Meeting costs	14,000	7,782	6,943
Miscellaneous	42,257	35,476	30,523
National child benefit	102,641	66,379	77,756
Newsletter	3,000	1,598	2,085
Office expenses	91,500	129,083	118,310
Other expense	1,500	4,173	1,235
Professional fees	135,209	397,896	432,147
Program costs	40,126	172,097	149,981
Repairs and maintenance	258,601	214,734	355,316
Salaries and benefits	1,621,947	1,665,490	1,731,601
Social assistance	555,669	508,558	459,156
Student allowances	125,000	62,398	33,889
Supplies	83,548	57,807	48,439
Training	23,000	11,345	10,130
Travel	118,915	120,515	112,491
Tuition - Elementary/Secondary	665,145	640,568	651,983
Utilities and telephone	311,651	360,409	296,909
Vehicle	37,350	25,481	35,455
	4,881,898	6,184,041	6,248,042
Other income (expense)			
Forgiveness of debt	-	-	97,124
Loss on disposal of tangible capital assets	-	-	(2,753)
	-	-	94,371
Annual surplus (deficit)	547,527	39,684	(391,024)
Accumulated surplus, before transfers	12,457,197	12,457,197	12,672,163
Transfers	-	-	176,058
Accumulated surplus, end of year	13,004,724	12,496,881	12,457,197

**Tseshahat First Nation
Trust**

Schedule 4 - Consolidated Schedule of Revenue and Expenses and Accumulated Surplus

For the year ended March 31, 2017

	2017 Budget (Note 18)	2017	2016
Revenue			
Interest income	-	15,947	16,587
BC Special	-	2,707	2,673
	-	18,654	19,260
Expenses			
Interest and bank charges	-	500	500
Transfer to band members	-	9,000	10,000
	-	9,500	10,500
Annual surplus	-	9,154	8,760
Accumulated surplus, beginning of year	-	1,088,906	1,080,146
Accumulated surplus, end of year	-	1,098,060	1,088,906

Tseshahat First Nation
Social Housing

Schedule 5 - Consolidated Schedule of Revenue and Expenses and Accumulated Surplus

For the year ended March 31, 2017

	2017 Budget (Note 18)	2017	2016
Revenue			
Rental income	-	427,532	402,628
Canada Mortgage and Housing Corporation	-	156,076	157,050
Other revenue	-	2,257	1,049
Interest income	-	278	364
	-	586,143	561,091
Expenses			
Administration fees	-	35,403	34,830
Amortization	-	262,495	350,584
Insurance, licenses and dues	-	36,805	29,936
Interest and bank charges	-	58	-
Interest on long-term debt	-	101,360	114,119
Miscellaneous	-	68	22
Professional fees	-	6,300	8,750
Repairs and maintenance	-	145,556	65,752
Travel	-	2,719	1,153
Utilities and telephone	-	33,132	35,062
	-	623,896	640,208
Annual deficit	-	(37,753)	(79,117)
Accumulated surplus, beginning of year	-	1,318,964	1,398,081
Accumulated surplus, end of year	-	1,281,211	1,318,964

**Tseshaht First Nation
Enterprise**

Schedule 6 - Consolidated Schedule of Revenue and Expenses and Accumulated Surplus

For the year ended March 31, 2017

	2017 Budget (Note 18)	2017	2016
Revenue			
Sales	-	8,459,151	8,478,777
Earnings from investment in First Nation business enterprises	-	843,657	1,132,632
Other revenue	-	53,461	53,771
Lease income	-	51,600	51,400
Nuu-chah-nulth Economic Development Corporation	-	19,311	21,435
Interest income	-	16,257	24,954
Administration recoveries	-	-	8,298
Loss from investment in First Nation partnerships	-	(47,343)	(29,899)
	-	9,396,094	9,741,368
Expenses			
Advertising	-	35,031	27,388
Amortization	-	171,128	183,668
Bad debts	-	1,358	3,580
Cost of goods sold	-	6,889,746	6,906,887
Fire protection	-	1,353	1,042
Insurance, licenses and dues	-	21,683	25,991
Interest and bank charges	-	67,130	66,562
Interest on long-term debt	-	65,276	72,273
Office expenses	-	9,320	7,393
Professional fees	-	28,139	66,204
Property tax	-	17,689	16,220
Repairs and maintenance	-	71,484	86,824
Salaries and benefits	-	747,704	657,840
Supplies	-	36,233	24,592
Training	-	2,897	2,236
Travel	-	1,567	805
Utilities and telephone	-	59,709	47,843
	-	8,227,447	8,197,348
Annual surplus before transfers	-	1,168,647	1,544,020
Accumulated surplus, beginning of year	-	4,557,078	3,254,347
Transfers	-	-	(241,289)
Accumulated surplus, end of year	-	5,725,725	4,557,078

Tseshaht First Nation
Treaty

Schedule 7 - Consolidated Schedule of Revenue and Expenses and Accumulated Surplus

For the year ended March 31, 2017

	2017 Budget (Note 18)	2017	2016
Revenue			
Interest income	-	18	2
Expenses			
Professional fees	-	-	12,614
Salaries and benefits	-	65,002	67,834
Utilities and telephone	-	53	1,333
Travel	-	894	576
	-	65,949	82,357
Annual deficit before transfers	-	(65,931)	(82,355)
Accumulated deficit, beginning of year	-	(2,846,031)	(2,828,907)
Transfers	-	-	65,231
Accumulated deficit, end of year	-	(2,911,962)	(2,846,031)