



**Tahltan Indian Band**  
**Consolidated Financial Statements**  
**For the year ended March 31, 2016**

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For the year ended March 31, 2016

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## Management's Responsibility for the Consolidated Financial Statements

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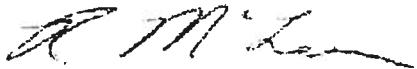
The accompanying consolidated financial statements of Tahltan Indian Band are the responsibility of management and have been approved by the Chief and one additional Band Councilor on behalf of the Band Council.

These consolidated financial statements have been prepared by management in accordance with Canadian public sector accounting standards prescribed for governments as recommended by the Public Sector Accounting Board. Management is responsible 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.

The Chief and Council of Tahltan Indian Band are responsible for ensuring that management fulfills its responsibilities for financial reporting and is ultimately responsible for reviewing and approving the consolidated financial statements.

The external auditors, BDO Canada LLP conducted an audit, in accordance with Canadian generally accepted auditing standards, and express their qualified opinion on the consolidated financial statements dated July 22, 2016. The external auditors were given complete access to financial management of Tahltan Indian Band and met with Council when required.

Approved on behalf of Chief & Council



Chief



Councilor



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## Independent Auditor's Report

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To the Chief and Council of  
Tahltan Indian Band

We have audited the accompanying consolidated financial statements of Tahltan Indian Band ("the Band"), which comprise the consolidated statement of financial position as at March 31, 2016, and the consolidated statements of operations, changes in net financial assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

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

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

### Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's 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 qualified audit opinion.

### Basis for Qualified Opinion

The Band should account for its long-term investments in Stikine River Song Cafe and General Store Ltd. and Tahltan Centre Ltd. on a consolidated basis because the entities are not financially self sufficient. The Band has recorded these entities as government business enterprises and accounted for them using the modified equity method. This constitutes a departure from Canadian public sector accounting standards. In addition, because the Band does not have audited financial information for these long-term investments, we were unable to determine the impact of this departure on the revenue, expenditures and accumulated surplus of the Band for the years ended March 31, 2016 and 2015, assets and liabilities as at March 31, 2016 and 2015, and accumulated surplus as at April 1 and March 31 for both the 2016 and 2015 years. Our audit report for the year ended March 31, 2015 was modified accordingly because of this limitation of scope with respect to these investments.



The Band has a 33.3% ownership in the Tahltan Nation Development Limited Partnership and Tahltan Nation Development Corporation. As a result, the modified equity method must be used to record the Band's interest in the partnerships. Due to the lack of access to the accounting records of the partnerships, we were unable to determine whether any adjustments may be necessary to the investment in the partnerships as at March 31, 2016 and 2015, revenue and annual surplus for the years ended March 31, 2016 and 2015, and accumulated surplus as at April 1 and March 31 for both the 2016 and 2015 years. Our audit opinion for the year ended March 31, 2015 was modified accordingly because of the possible effects of this limitation in scope.

The Band is a 33.3% beneficiary of the Tahltan Heritage Trust. The Trust assets arise from monies received from various resource developers that undertake commercial activities using natural resources in the Tahltan traditional territory. As a beneficiary of the Trust, the Band is required to record its share of income when allocated. Due to the lack of access to the accounting records of the Trust, we were unable to determine whether any adjustments may be necessary to the investment in the Trust as at March 31, 2016 and 2015, revenue and annual surplus for the years ended March 31, 2016 and 2015, and accumulated surplus as at April 1 and March 31 for both the 2016 and 2015 years. Our audit opinion for the year ended March 31, 2015 was modified accordingly because of the possible effects of this limitation in scope.

The Band has commenced to prepare a tangible capital asset schedule in accordance with Canadian public sector accounting standards for governments. As the listing is incomplete, we were unable to determine whether any adjustments may be necessary to the net book value of tangible capital assets, amortization expenditure and annual surplus.

As noted in the summary of significant accounting policies regarding tangible capital assets and amortization, the Social Housing tangible capital assets are required by Canada Mortgage and Housing Corporation to be amortized at a rate equivalent to the annual principal reduction of the related long-term debt. This amortization policy is not in accordance with Canadian public sector accounting standards, which require that tangible capital assets be amortized over their estimated useful lives. The effect of the departure has not been determined on the net book value of the tangible capital assets, the related amortization expenditure and annual surplus.

#### Qualified Opinion

In our opinion, except for the possible effects of the matters described in the Basis for Qualified Opinion paragraphs, the consolidated financial statements present fairly, in all material respects, the financial position of Tahltan Indian Band as at March 31, 2016 in accordance with Canadian public sector accounting standards.

**BDO Canada LLP**

Chartered Professional Accountants

Edmonton, Alberta  
July 22, 2016

# Tahltan Indian Band

## Consolidated Statement of Financial Position

March 31	2016	2015*
<b>Financial Assets</b>		
Cash	\$ 442,082	\$ 402,619
Restricted cash and temporary investments (Note 2)	70,959	66,998
Accounts receivable (Note 3)	380,322	235,525
Prepaid expenses	2,635	-
Recoveries receivable from INAC	13,946	-
Due from Tahltan Health and Social Services Authority (Note 4)	-	18,235
Long-term investments (Note 5)	5,043,933	5,030,402
Advances due from government business enterprises (Note 7)	2	2
Trust assets (Note 8)	2,254,275	2,030,042
	<b>8,208,154</b>	<b>7,783,823</b>
<b>Liabilities</b>		
Bank indebtedness (Note 10)	75,000	-
Accounts payable and accrued liabilities (Note 9)	606,020	234,269
Recoveries payable	-	24,253
Obligation under capital lease (Note 11)	-	25,849
Deferred revenue (Note 12)	219,691	197,180
Long-term debt (Note 13)	277,599	323,968
	<b>1,178,310</b>	<b>805,519</b>
<b>Net Financial Assets</b>	<b>7,029,844</b>	<b>6,978,304</b>
<b>Tangible Capital Assets (Note 14)</b>	<b>6,295,950</b>	<b>5,528,631</b>
<b>Non-financial Assets (Note 6)</b>	<b>100,000</b>	<b>-</b>
<b>Accumulated Surplus</b>	<b>\$ 13,425,796</b>	<b>\$ 12,506,935</b>

\* Restated - see Note 20

Approved on behalf of Chief & Council



Chief



Councillor

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

## Tahltan Indian Band Consolidated Statement of Operations

For the year ended March 31	Budget	2016	2015*
<b>Revenue</b>			
Federal Government:			
Indigenous and Northern Affairs Canada (INAC)	\$ 2,460,724	\$ 2,460,724	\$ 1,982,251
Canada Mortgage and Housing Corporation	-	23,243	24,298
Department of Fisheries and Oceans Canada	-	122,000	108,202
Health and Welfare Canada (Note 23)	-	1,574,086	-
Provincial Government:			
Northern Health Authority	-	62,229	-
Ottawa Trust (Note 8)	-	6,363	8,732
Tahltan Heritage Trust (Note 8)	-	217,870	268,418
Ministry of Justice	-	227,731	-
Ministry of Children and Family Development	-	311,454	-
Other:			
Other income	-	662,296	253,861
Rental income	-	259,587	297,524
Canada Post	-	76,004	68,564
Stikine Wholistic Working Group (SWWG)	-	294,334	291,332
Dividends from Tahltan Nation Community Development Corporation	-	182,123	114,380
Tahltan Central Council	-	508,392	-
Reserve contribution	-	3,999	-
Recoveries	-	38,199	-
Aboriginal housing	-	85,812	-
Gain on restructuring transaction (Note 24)	-	970,679	-
	<b>2,460,724</b>	<b>8,087,125</b>	<b>3,417,562</b>
<b>Expenditures (Note 21)</b>			
Economic development	127,131	443,456	655,628
Education	792,220	759,470	733,760
Government development and administration	496,396	1,334,018	740,052
Stikine Wholistic Working Group (SWWG)	-	209,748	325,993
Housing	-	174,092	326,947
Public works operations and maintenance	262,663	293,452	239,485
Social and community services	797,949	1,539,051	344,752
Capital development	-	181,304	288,102
First Nations Health Authority (Note 23)	-	1,829,506	-
Amortization	-	417,698	297,945
Interest	-	-	5,078
	<b>2,476,359</b>	<b>7,181,795</b>	<b>3,957,742</b>
Surplus of revenue (expenditures) before the undernoted	(15,635)	905,330	(540,180)
Income from investment in government business partnership (Note 5)	-	13,531	902,601
Allowance for advances due from government business enterprises (Note 7)	-	-	(107,798)
Annual surplus	<b>\$ (15,635)</b>	<b>918,861</b>	<b>254,623</b>
Accumulated surplus, beginning of year as previously stated		12,538,567	12,387,461
Prior period adjustment (Note 20)		(31,632)	(135,149)
Accumulated surplus, beginning of year as restated		<b>12,506,935</b>	<b>12,252,312</b>
Accumulated surplus, end of year		<b>\$ 13,425,796</b>	<b>\$ 12,506,935</b>

\* Restated - see Note 20

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

# Tahltan Indian Band

## Consolidated Statement of Changes in Net Financial Assets

For the year ended March 31	2016	2015*
Annual surplus	\$ 918,861	\$ 254,623
<b>Tangible capital assets:</b>		
Purchase of tangible capital assets	(10,534)	(55,463)
Amortization of tangible capital assets	417,698	297,945
Proceeds on disposal of tangible capital assets	-	4,209
THSSA tangible capital assets on restructure transaction (Note 24)	(1,174,485)	-
<b>Increase in net financial assets</b>	<b>151,540</b>	<b>501,314</b>
Net financial assets, beginning of year as previously stated	7,009,936	6,612,139
Prior period adjustment (Note 20)	(31,632)	(135,149)
Net financial assets, beginning of year as restated	6,978,304	6,476,990
Non-financial assets acquired (Note 6)	(100,000)	-
<b>Net financial assets, end of year</b>	<b>\$ 7,029,844</b>	<b>\$ 6,978,304</b>

\* Restated - see Note 20



# Tahltan Indian Band

## Consolidated Statement of Cash Flows

For the year ended March 31	2016	2015*
<b>Operating activities</b>		
Annual surplus	\$ 918,861	\$ 254,623
Items not affecting cash:		
Amortization	417,698	297,945
Gain on restructuring transaction (Note 24)	(970,679)	-
Allowance for advances due from government business enterprises (Note 7)	-	107,798
Income from investment in government business partnership (Note 5)	(13,531)	(902,601)
Reinvested interest income on term deposits and restricted cash	(2,071)	(1,214)
Income from Ottawa Trust (Note 8)	(6,363)	(8,732)
Income from Tahltan Heritage Trust (Note 8)	(217,870)	(268,418)
Gain on disposal of tangible capital assets	-	(5,792)
Changes in operating balances:		
Decrease (increase) in accounts receivable	(73,067)	468,364
Increase in related entity receivable	-	(18,235)
Decrease in prepaid expenses	2,635	-
Decrease in recoveries payable	(38,199)	(69,365)
Increase in deferred revenue	852	-
Increase (decrease) in accounts payable and accrued liabilities	175,089	(158,720)
	<u>193,355</u>	<u>(304,347)</u>
<b>Capital activities</b>		
Purchase of tangible capital assets	(13,723)	(55,463)
Proceeds on disposal of tangible capital assets	-	10,392
Proceeds from bank indebtedness, net	75,000	-
	<u>61,277</u>	<u>(45,071)</u>
<b>Investing activities</b>		
Purchase of non-financial assets (Note 6)	(100,000)	-
Advances to Stikine River Song Cafe and General Store Ltd.	-	(107,798)
THSSA bank indebtedness from restructuring transaction (Note 24)	(42,951)	-
	<u>(142,951)</u>	<u>(107,798)</u>
<b>Financing activities</b>		
Repayment of long-term debt	(46,369)	(3,206)
Repayment of obligation under capital lease	(25,849)	(151,596)
	<u>(72,218)</u>	<u>(154,802)</u>
<b>Increase (decrease) in cash for the year</b>	<b>39,463</b>	<b>(612,018)</b>
<b>Cash, beginning of year</b>	<u>402,619</u>	<u>1,014,637</u>
<b>Cash, end of year</b>	<u>\$ 442,082</u>	<u>\$ 402,619</u>

\* Restated - see Note 20

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

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## Tahltan Indian Band

### Notes to Consolidated Financial Statements

March 31, 2016

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#### 1. Summary of Significant Accounting Policies

Nature of Business	<p>Tahltan Indian Band (the "Band") provides services such as government, public works, social development, community health, advanced education, economic development, land and resources, housing and community schooling.</p> <p>The Band is exempt from income tax under Section 87 of the Indian Act.</p>
Basis of Accounting	<p>These consolidated financial statements ("financial statements") have been prepared in accordance with Canadian public sector accounting standards prescribed for governments as recommended by the Public Sector Accounting Board.</p>
Reporting Entity	<p>The Band reporting entity includes Tahltan Indian Band government and all related entities that are controlled by the Band.</p>
Principles of Consolidation	<p>All controlled entities are fully consolidated on a line-by-line basis except for commercial enterprises and partnerships which meet the definition of government business enterprises, which are included in the financial statements using the modified equity method. Inter-organizational balances and transactions are eliminated upon consolidation.</p> <p>Canada Mortgage Housing Corporation ("CMHC") Social Housing is consolidated in Tahltan Indian Band's financial statements.</p> <p>Effective April 1, 2015, Tahltan Indian Band was given control over Tahltan Health and Social Services Authority ("THSSA") and THSSA is consolidated in Tahltan Indian Band's financial statements.</p>
Asset Classification	<p>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 provide resources to discharge existing liabilities but are employed to deliver government services, may be consumed in normal operations and are not for resale. Non-financial assets include tangible capital assets.</p>
Cash	<p>Cash includes cash on hand, balances with banks and bank indebtedness. Cash subject to restrictions that prevent its use for current purposes is included in restricted cash and temporary investments.</p>
Restricted Temporary Investments	<p>Restricted temporary investments include guaranteed investment certificates maturing December 2016 and December 2018. These investments are recorded at cost.</p>

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## Tahltan Indian Band

### Notes to Consolidated Financial Statements

March 31, 2016

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1. Summary of Significant Accounting Policies (continued)

**Long-term  
Investments**

Long-term investments in corporate entities and limited partnerships owned, controlled or significantly influenced by the Band are as follows:

Government Business Enterprises

- Stikine River Song Cafe and General Store Ltd.
- Tahltan Centre Ltd.
- Tahltan Touring Company (Inactive)

Government Business Partnerships

- Tahltan Nation Community Development Corporation
- Tahltan Nation Development Limited Partnership

The government business enterprises and government business partnerships are accounted for using the modified equity method. Under the modified equity method of accounting, only the Band's investment in the government business enterprises and the Band's portion of the enterprises accumulated net income or loss and other changes in equity are recorded. Operating losses are recorded until the investment in the enterprise is reduced to nil. No adjustment is made for accounting policies of the enterprises that are different from those of the Band and inter-organizational balances and transactions are not eliminated.

As these financial statements have been prepared primarily for management purposes only, some users may require further information concerning the financial position and results of operations of the Band's long-term investments.

**Leases**

Leases entered into, that transfer substantially all the benefits and risks associated with ownership, are recorded as the acquisition of a tangible capital asset and the incurrence of an obligation. The asset is amortized in a manner consistent with tangible capital assets owned by the Band, and the obligation, including interest thereon, is liquidated over the term of the lease.

**Use of Estimates**

The preparation of financial statements in accordance with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenditures during the reporting period. Actual results could differ from management's best estimates as additional information becomes available in the future.

# Tahltan Indian Band

## Notes to Consolidated Financial Statements

March 31, 2016

### 1. Summary of Significant Accounting Policies (continued)

#### Tangible Capital Assets

Tangible capital assets are recorded at cost less accumulated amortization. Cost includes all costs directly attributable to acquisition or construction of the tangible capital assets including transportation costs, installation costs, design and engineering fees, legal fees and site preparation costs. Contributed tangible capital assets are recorded at fair value at the time of the donation, with a corresponding amount recorded as revenue. Amortization is recorded on a declining balance basis over the estimated life of the tangible capital asset commencing once the asset is available for productive use as follows:

Automotive equipment	30%
Buildings	4%
Furniture and fixtures	20%
Computer equipment	45%-100%
Infrastructure	5%
Equipment under lease	30%

Leasehold improvements are amortized on a straight-line basis over 25 years.

In the year of acquisition, 50% of the annual amortization is expensed.

Amortization is provided on buildings purchased with loans insured by CMHC at a rate equal to the annual principal reduction of the mortgage.

#### Government Transfers

Government transfers, which include legislative grants, are recognized in the financial statements in the period in which events giving rise to the transfers occur, providing that the transfers are authorized, any eligibility criteria have been met, and reasonable estimates of the amount can be made.

#### Budget Figures

The budget figures are approved annually by the Chief and Council. They have been reallocated to conform to Canadian public sector accounting standards financial statement presentation. Subsequent amendments have been made by the Chief and Council to reflect changes in the budget as required.

#### Revenue Recognition

Government funding is recognized as it becomes receivable under the terms of applicable funding agreements. Deferred revenue received under funding agreements which relates to a subsequent fiscal period is recognized as revenue in the period in which the resources are used for the purpose or purposes specified.

Rental revenue is recognized as it becomes receivable under the terms of the rental agreement.

All other revenue is recognized as it is earned and collection is reasonably determinable.

#### Segmented Disclosure

The Band provides a range of services to its members. For each reporting segment, revenue and expenditures 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 financial statements.

#### Trust Assets

The Band is a 33.3% beneficiary of the Tahltan Heritage Trust. The trust assets arise from monies received from various resource developers which undertake commercial activities using natural resources in the Tahltan Nation traditional territory.

## Tahltan Indian Band

### Notes to Consolidated Financial Statements

**March 31, 2016**

#### 2. Restricted Cash and Temporary Investments

##### Temporary Investments

	2016	2015
CMHC Northern Savings - Credit Union shares	\$ 31	\$ 31
RBC - guaranteed investment certificates	1,246	1,214
CMHC Northern Savings - guaranteed investment certificates	69,682	65,753
	<u>\$ 70,959</u>	<u>\$ 66,998</u>

Funds held in temporary investments represent those monies that the Band has committed for expenditures for future capital and economic development projects. The Royal Bank of Canada ("RBC") GICs consist of one year at 0.90% per annum, maturing December 2016. The CMHC Northern Savings GICs consist of three years at 1.00% per annum, maturing December 2018.

##### Restricted Cash

Under the terms of the agreements with CMHC, the replacement reserve is to be credited in the amount of \$4,000 annually plus interest. These funds along with accumulated interest must be held in separate bank accounts 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 Band retains these CMHC reserve funds in a term deposit held at Northern Savings Credit Union. The funds in this account may only be used as approved by CMHC. Withdrawals are credited to interest first and then principal.

#### 3. Accounts Receivable

	2016	2015
Loans and account receivables	\$ 230,306	\$ 146,080
Canada Mortgage and Housing Corporation	1,936	1,937
Band member rent	1,516,506	1,474,347
GST/HST	29,757	16,950
	<u>1,778,505</u>	<u>1,639,314</u>
Less: allowance for doubtful accounts	(12,613)	(12,229)
Less: housing allowance for doubtful accounts	(1,385,570)	(1,391,560)
Net accounts receivable	<u>\$ 380,322</u>	<u>\$ 235,525</u>

# Tahltan Indian Band

## Notes to Consolidated Financial Statements

March 31, 2016

### 4. Due From Tahltan Health and Social Services Authority

	2016	2015
Tahltan Health and Social Services Authority (THSSA)	\$ -	18,235

During the year, control of THSSA was transferred to the Band (Note 24).

### 5. Long-term Investments

The Band has long-term investments in the following government business enterprises and government partnerships which are accounted for using the modified equity method.

#### Tahltan Nation Development Limited Partnership ("TNDLP")

The limited partnership has entered into a number of joint venture agreements which has resulted in a wide range of support and construction services being provided to industry and government. The Band owns 33.3% of TNDLP.

#### Tahltan Nation Development Corporation ("TNCDC")

Tahltan Nation Development Corporation is a business corporation owned by the people of the Tahltan Nation through Tahltan Indian Band, Iskut Band Council and the Tahltan Central Council. The mandate is to maintain a profitable organization that generates wealth, economic, employment and training opportunities for all members of the Tahltan Nation while adhering to Tahltan values. The Band owns 33.3% of TNCDC.

#### Tahltan Centre Ltd. ("TCL")

Tahltan Centre Ltd. operates a grocery store and gas bar in Telegraph Creek, British Columbia and employs four to six members of the Tahltan First Nation on a regular basis. The Band owns 100% of TCL. As TCL has accumulated losses, equity income will not be recognized from this investment until the accumulated losses have been recovered through income of TCL.

#### Stikine River Song Cafe and General Store Ltd. ("Stikine")

Stikine River Song Cafe and General Store Ltd. operates a seasonal motel and restaurant in Telegraph Creek, British Columbia and employs two to four members of the Band on a regular basis. The Band owns 100% of Stikine. As Stikine has accumulated losses, equity income will not be recognized from this investment until the accumulated losses have been recovered through income of Stikine.

# Tahltan Indian Band

## Notes to Consolidated Financial Statements

March 31, 2016

### 5. Long-term Investments (continued)

	TNDLP	TNDC	TCL	Stikine	2016 Total
Accumulated earnings	\$ 5,029,873	\$ 275	\$ -	\$ -	\$ 5,030,149
2016 income	-	182,123	-	-	182,123
Partnership income	13,531	-	-	-	13,531
Shares	-	250	1	2	253
Dividends	-	(182,123)	-	-	(182,123)
	<u>\$ 5,043,404</u>	<u>\$ 525</u>	<u>\$ 1</u>	<u>\$ 2</u>	<u>\$ 5,043,933</u>

	TNDLP	TNDC	TCL	Stikine*	2015* Total
Accumulated earnings	\$ 4,127,272	\$ 275	\$ -	\$ -	\$ 4,127,548
2015 income	-	114,380	-	-	114,380
Partnership income	902,601	-	-	-	902,601
Shares	-	250	1	2	253
Dividends	-	(114,380)	-	-	(114,380)
	<u>\$ 5,029,873</u>	<u>\$ 525</u>	<u>\$ 1</u>	<u>\$ 2</u>	<u>\$ 5,030,402</u>

The following unaudited operating losses for Stikine and TCL have not been recorded in the Band's consolidated statement of operations as discussed above:

	Stikine	TCL
2016 net income (loss)	\$ 7,910	\$ (36,973)
2015 accumulated surplus (deficit)	(195,247)	10,372
2016 accumulated deficit	<u>\$ (187,337)</u>	<u>\$ (26,601)</u>

Condensed unaudited financial information for the government business enterprises and government business partnerships is presented in Note 25 of the financial statements.

\*Restated - see Note 20

### 6. Non-financial Assets

On December 15, 2015, Tahltan Indian Band acquired ownership of the assets of a gas station that is located on the reserve at Dease Lake. There were no operations during the March 31, 2016 year and extensive construction will be required before the gas station will be operational. In exchange for consideration of \$100,000, the Band received the rights to the land, a maintenance garage, a gas bar including self contained fuel storage units, pumps and product dispensers, a retail complex and some minor equipment.

# Tahltan Indian Band

## Notes to Consolidated Financial Statements

March 31, 2016

### 7. Advances Due from Government Business Enterprises

	2016	2015
Stikine River Song Cafe and General Store Ltd.		
Balance, beginning of year	\$ 321,605	\$ 213,807
Current year advances	-	107,798
Less: allowance for doubtful accounts	(321,604)	(321,604)
Balance, end of year	1	1
Tahltan Centre Ltd.		
Balance, beginning of year	302,000	302,000
Less: allowance for doubtful accounts	(301,999)	(301,999)
Balance, end of year	1	1
	\$ 2	\$ 2

The amounts advanced to government business enterprises bear no interest and have no fixed terms of repayment. The advances have been written down to reflect the likelihood the amounts may be uncollectible.

### 8. Trust Assets

	2015	Additions	Withdrawals	2016
Ottawa Trust Funds				
Revenue	\$ 185,547	\$ 6,363	\$ -	\$ 191,910
Capital	1,293	-	-	1,293
	186,840	6,363	-	193,203
Tahltan Heritage Trust Fund	1,843,202	217,870	-	2,061,072
	\$ 2,030,042	\$ 224,233	\$ -	\$ 2,254,275

The Ottawa Trust Funds relate to capital or revenue sources 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. The revenue and capital trust funds are accessible by the Band for specified purposes.

The Tahltan Heritage Trust is comprised of monies received from resource developers which undertake commercial activities, primarily using natural resources, in the Tahltan Nation's traditional territory. The management of these funds are primarily governed by the Tahltan Nation leadership. The above information is unaudited.



# Tahltan Indian Band

## Notes to Consolidated Financial Statements

**March 31, 2016**

### 9. Accounts Payable and Accrued Liabilities

	2016	2015
Trade payables	\$ 274,606	\$ 110,112
Accrued liabilities	200,933	105,143
Accrued salaries and employee benefits payable	122,681	11,514
CMHC payable	7,800	7,500
	<b>\$ 606,020</b>	<b>\$ 234,269</b>

Included in accounts payable and accrued liabilities are government remittances of \$53,242 (2015 - \$6,321).

### 10. Bank indebtedness

The Band has a \$75,000 line of credit from RBC issued under a Band Council Resolution. Interest is charged at prime plus 0.80% per annum and the terms stipulate that funds must be drawn and repaid in \$5,000 increments.

### 11. Obligation Under Capital Lease

	2016	2015
RBC equipment lease contract, repaid during the year	\$ -	\$ 25,849

### 12. Deferred Revenue

	2016	2015
Indigenous and Northern Affairs Canada ("INAC")	\$ 197,180	\$ 197,180
THSSA amounts received in advance from the B.C. Government	22,151	-
CMHC prepaid rental revenue	360	-
	<b>\$ 219,691</b>	<b>\$ 197,180</b>

The \$197,180 of deferred revenue from INAC relates to funding received in 2014 that was restricted to capital projects in Tahltan Indian Band's infrastructure and housing programs. The Band has yet to start these capital projects and so the amounts remain deferred.

The \$22,151 relating to the THSSA funding was received in 2016 to be used in the 2017 fiscal year.

# Tahltan Indian Band

## Notes to Consolidated Financial Statements

March 31, 2016

### 13. Long-term Debt

	2016	2015
<b>Capital Fund</b>		
Ford Credit, repaid during the year	\$ -	\$ 9,707
Ford Credit, repayable in monthly instalments of \$887 at 0% interest, maturing December 2018, secured by specific equipment with a net book value of \$20,660	29,269	39,912
RBC, repayable in monthly instalments of \$759 including interest at 6.24% per annum, maturing February 2020, secured by specific equipment with a net book value of \$33,001	31,587	38,488
	60,856	88,107
<b>Social Housing Fund</b>		
CMHC mortgage, with payments of \$1,900 per month including interest at 1.64% per annum, maturing August 2026, secured by ministerial guarantee	216,743	235,861
	<u>\$ 277,599</u>	<u>\$ 323,968</u>

All Social Housing mortgages are secured by a ministerial guarantee from INAC. Principal repayments on long-term debt for the next five years and thereafter are as follows, assuming the mortgage is renewed on similar terms:

2017	\$ 37,400
2018	38,192
2019	36,356
2020	28,501
2021	20,724
Thereafter	116,426
	<u>\$ 277,599</u>

# Tahltan Indian Band

## Notes to Consolidated Financial Statements

March 31, 2016

### 14. Tangible Capital Assets

	Automotive Equipment	CMHC Housing	Buildings and Fixtures	Furniture and Fixtures	Computer Equipment	Infrastructure	Leasehold Improvements	Equipment Under Lease	Land	2016 Total
Cost, beginning of year	\$ 716,720	\$ 8,381,077	\$ 2,001,678	\$ 93,158	\$ 56,626	\$ 2,417,055	\$ -	\$ 300,298	\$ 22,705	\$ 13,989,317
Additions	-	-	-	-	10,535	-	-	-	-	10,535
THSSA assets (Note 24)	459,467	-	774,365	418,407	-	-	178,784	-	32,387	1,863,410
Cost, end of year	1,176,187	8,381,077	2,776,043	511,565	67,161	2,417,055	178,784	300,298	55,092	15,863,262
Accumulated amortization, beginning of year	542,056	5,534,544	840,116	47,331	54,668	1,320,349	-	121,622	-	8,460,686
Amortization	134,819	39,901	77,438	46,697	3,254	54,835	7,151	53,603	-	417,698
Accumulated amortization on THSSA assets (Note 24)	201,295	-	122,664	317,741	-	-	47,228	-	-	688,928
Accumulated amortization, end of year	878,170	5,574,445	1,040,218	411,769	57,922	1,375,184	54,379	175,225	-	9,567,312
Net book value, end of year	\$ 298,017	\$ 2,806,632	\$ 1,735,825	\$ 99,796	\$ 9,239	\$ 1,041,871	\$ 124,405	\$ 125,073	\$ 55,092	\$ 6,295,950

**Tahltan Indian Band**  
**Notes to Consolidated Financial Statements**

**March 31, 2016**

**14. Tangible Capital Assets (continued)**

	2015								
	Automotive Equipment	CAHHC Housing	Buildings	Furniture and Fixtures	Computer Equipment	Infrastructure	Equipment Under Lease	Land	Total
Cost, beginning of year	\$ 703,355	\$ 8,381,077	\$ 2,001,678	\$ 93,158	\$ 56,626	\$ 2,417,055	\$ 300,298	\$ 22,705	\$ 13,975,952
Additions	55,464	-	-	-	-	-	-	-	55,464
Disposals	(42,099)	-	-	-	-	-	-	-	(42,099)
Cost, end of year	716,720	8,381,077	2,001,678	93,158	56,626	2,417,055	300,298	22,705	13,989,317
Accumulated amortization, beginning of year	516,975	5,495,325	791,719	35,875	53,064	1,262,627	45,045	-	8,200,630
Amortization	62,970	39,219	48,397	11,456	1,604	57,722	76,577	-	297,945
Disposals	(37,889)	-	-	-	-	-	-	-	(37,889)
Accumulated amortization, end of year	542,056	5,534,544	840,116	47,331	54,668	1,320,349	121,622	-	8,460,686
Net book value, end of year	\$ 174,664	\$ 2,846,533	\$ 1,161,562	\$ 45,827	\$ 1,958	\$ 1,096,706	\$ 178,676	\$ 22,705	\$ 5,528,631

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## Tahltan Indian Band

### Notes to Consolidated Financial Statements

March 31, 2016

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#### 15. Economic Dependence

The Band receives a major portion of its revenue from INAC. The nature and extent of this revenue is of such significance that the Band is economically dependent on this source of revenue.

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#### 16. Comparative Figures

The comparative figures presented in the financial statements have been reclassified, where necessary, to conform to the current year's presentation.

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#### 17. Pension Plan

The Band has a defined contribution pension plan for certain specific identified members of its staff. Members are required to contribute a minimum of 5% of their salary and the Band also contributes 5% of the members salary, contributions are directed to the member's contribution account. The amount of retirement benefit to be received by the employees will be the amount of retirement annuity that can be purchased based on the member's share of the pension plan at the time of the member's withdrawal from the plan. During the year, the Band contributed \$26,077 (2015 - \$13,926) for retirement benefits.

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#### 18. Financial Instruments

##### Credit risk

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

The Band maintains all of its cash and deposits with two federally regulated Canadian financial institutions and, thus, has not experienced any change in risk exposure.

##### Interest rate risk

Interest rate risk refers to the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The Band's long-term debt is at fixed rates of interest, therefore, a change in market interest rates has no impact to cash flows required to service this debt. The Band maintains an operating line of credit subject to floating rates of interest, a change in the variable rate can impact cash flow to service the debt when such debt is outstanding. There has been no change to the risk exposure from 2015 and there is expected to be no substantive change in the next fiscal period.

##### Liquidity risk

Liquidity risk is the risk that the Band will not be able to meet its financial obligations as they come due. The Band has a planning and budgeting process in place to help determine the funds required to support the normal operating requirements of the Band on an ongoing basis. The Band ensures that there are sufficient funds to meet its short-term requirements, taking into account its anticipated cash flows and its holdings of cash and cash equivalents.

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#### 19. Budget

Canadian public sector accounting standards require that the Band's budget be presented in the financial statements. A budget has been prepared by management and presented in these financial statements and the Chief and Council have formally approved the budget.

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# Tahltan Indian Band

## Notes to Consolidated Financial Statements

March 31, 2016

### 20. Prior Period Adjustment

During the preparation of the financial statements in the current year, it was noted that advances made by the Band to Stikine River Song Cafe and General Store Ltd. ("Stikine") in prior years were disclosed incorrectly as share capital. Management has reclassified these advances and because the amounts are not likely collectible, an allowance for doubtful accounts has been recorded. In addition, operating losses were incorrectly recorded in the consolidated statement of operations.

The impact of this correction on the consolidated statement of financial position at March 31, 2015 is as follows:

	Previously Stated	Adjustment	As Restated
Long-term Investments	\$ 5,062,034	\$ (31,632)	\$ 5,030,402
Accumulated surplus	12,538,567	(31,632)	12,506,935

The impact on the consolidated statement of operations for the year ended March 31, 2015 is as follows:

	Previously Stated	Adjustment	As Restated
Loss from investment in government business enterprises	\$ 103,517	\$ (103,517)	\$ -
Annual surplus	151,106	103,517	254,623
Accumulated surplus, beginning of year	12,387,461	(135,149)	12,252,312

The net adjustment of \$31,632 to the consolidated statement of financial position consists of the following:

Write-down of advances to Stikine previously recorded as share capital	\$ (213,807)
Add back Stikine losses recorded in 2013	3,378
Add back Stikine losses recorded in 2014	75,280
Add back Stikine losses recorded in 2015	103,517
Net adjustment	<u>\$ (31,632)</u>

The net adjustment of \$135,149 to accumulated surplus consists of the following:

Write-down of advances to Stikine previously recorded as share capital	\$ (213,807)
Add back Stikine losses recorded in 2013	3,378
Add back Stikine losses recorded in 2014	75,280
Net adjustment	<u>\$ (135,149)</u>

**Tahltan Indian Band**  
**Notes to Consolidated Financial Statements**

**March 31, 2016**

**21. Statement of Expenditures by Object**

	2016	2015
<b>Expenditures</b>		
Administration	\$ 461,703	\$ -
Advertising	29,450	31,673
Amortization	417,696	297,945
Automotive	16,253	-
Contract services	735,470	830,161
Honoraria	10,178	25,664
Insurance	154,324	136,390
Interest	7,756	5,078
Materials and supplies	231,670	168,378
Office and miscellaneous	180,092	69,591
Other	193,941	222,926
Professional fees	442,433	318,168
Rental	126,073	110,556
Repairs and maintenance	75,710	35,774
Room and board	406,802	440,563
Salaries and benefits	2,192,892	765,028
Telephone and utilities	264,297	153,924
Travel and accommodation	982,783	146,307
Tuition and training	252,272	199,616
<b>Total expenditures for the year</b>	<b>\$ 7,181,795</b>	<b>\$ 3,957,742</b>

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## **Tahltan Indian Band**

### **Notes to Consolidated Financial Statements**

**March 31, 2016**

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#### **22. Segmented Information**

Tahltan Indian Band provides a wide range of services to its members including social, education, health, housing, public works and economic activities. For management reporting purposes, the Band's operations and activities are organized and reported by fund. Funds were created for the purpose of recording specific activities to attain certain objectives with special regulations, restrictions or limitations. Services are provided by programs and their activities are reported in these funds. Certain programs have been separately disclosed in the segmented information, along with the services they provide and are detailed in the Schedule of Segmented Financial Activities.

##### **Economic Development**

The Economic Development program provides the Band with a range of different revenue streams and sources of employment including tourism, the post office, equipment operations, fishing and community economic development.

##### **Education**

The Education program provides services to eligible First Nation students enrolled in elementary/secondary education programs and eligible post-secondary education programs.

##### **Government Development and Administration**

This program covers the funding and expenditures of the Band related to administration, employee benefits and emergency benefits.

##### **Health**

This program covers the funding and expenditures of the Band related to funding received to operate the health program.

##### **Stikine Wholistic Working Group ("SWWG")**

This program provides health programs and social services under an agreement with First Nations Health Authority.

##### **Housing**

The Housing program provides on-reserve housing to eligible members under the CMHC housing programs for First Nation.

##### **Public Works**

The Public Works program is responsible for the construction and maintenance of public spaces within the community.

##### **Social and Community Services**

This program provides for the delivery of social and community services related to special needs, adult care, national child benefits and prevention services among others.

##### **Capital Development**

This program provides for development of capital projects including the store renovation, the development of land and the ACR5 project.



# Tahltan Indian Band

## Notes to Consolidated Financial Statements

March 31, 2016

### 22. Segmented Information (continued)

2016											
	Health	Economic Development	Education Administration	Government Development and Administration	SWWG	Housing	Public Works Operations and Maintenance	Social and Community Services	Capital Development	Consolidation Adjustments	Total
Revenue	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
INAC	-	127,082	792,220	479,869	-	-	256,143	805,410	-	-	2,460,724
INAC recovery	-	-	-	-	-	-	-	13,946	-	-	13,946
Business enterprises	-	182,123	-	-	-	-	-	-	-	-	182,123
Canada Post	-	76,004	-	-	-	-	-	-	-	-	76,004
CAHC	-	-	-	-	-	23,243	-	-	-	-	23,243
FNHA	1,574,086	-	-	-	-	-	-	-	-	-	1,574,086
Fisheries and Oceans Canada	-	122,000	-	-	-	-	-	-	-	-	122,000
Ministry of Children	-	-	-	-	-	-	-	311,454	-	-	311,454
Ministry of Justice	-	-	-	-	-	-	-	227,731	-	-	227,731
Northern Health	-	-	-	62,229	-	-	-	-	-	-	62,229
Ottawa Trust	-	-	-	-	-	-	-	-	-	6,363	6,363
Rental	-	93,536	-	42,900	-	101,176	21,975	-	-	-	259,587
SWWG	-	-	-	-	294,334	-	-	-	-	-	294,334
Tahltan Central Government	-	508,392	-	-	-	-	-	-	-	-	508,392
Tahltan Heritage Trust	-	-	-	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	(226,655)	-	-	226,655	68,245	217,870	-
Other	138,468	71,980	14,802	308,584	-	-	-	121,817	92,458	(68,245)	217,870
	1,712,554	1,181,117	807,022	893,582	67,679	124,419	278,118	1,707,013	160,703	998,930	1,747,039

# Tahltan Indian Band

## Notes to Consolidated Financial Statements

March 31, 2016

### 22. Segmented Information (continued)

	2016										
	Health	Economic Development	Education	Government Development and Administration	SWWG	Housing	Public Works Operations and Maintenance	Social and Community Services	Capital Development	Consolidation Adjustments	Total
Expenditures	235,063	-	69,000	-	-	-	-	157,640	-	-	461,703
Administration	1,163	384	-	26,590	-	-	-	-	1,313	-	29,450
Advertising	-	-	-	-	-	-	-	-	-	417,697	417,697
Amortization	-	-	-	2,516	-	130	-	-	-	-	16,251
Automotive	11,959	1,646	-	115,680	22,036	32,539	40,309	300,688	24,119	-	735,470
Contract services	93,042	102,057	5,000	8,778	-	-	-	-	1,000	-	154,324
Honoraria	400	-	-	53,237	-	44,466	16,116	15,175	-	-	10,178
Insurance	13,044	12,286	-	814	-	3,992	618	-	-	-	7,756
Interest	-	2,332	-	814	-	25,197	17,748	62,578	4,786	-	231,668
Materials and supplies	17,438	66,450	6,304	23,185	7,982	5,169	1,690	71,569	1,210	-	180,091
Office and miscellaneous	60,957	7,161	-	32,335	-	1,065	-	113,624	-	-	193,941
Other	-	1,819	8,930	17,753	50,750	-	-	-	-	-	442,434
Professional fees	653	1,631	-	277,749	-	7,500	3,302	7,708	143,891	-	126,073
Rental	50	8,700	8,400	25,743	-	-	8,400	74,780	-	-	75,709
Repairs and maintenance	12,571	14,628	-	18,777	-	6,090	5,754	15,363	2,526	-	406,802
Room and board	-	-	406,802	-	-	-	-	-	-	-	2,192,892
Salaries and benefits	592,376	177,618	51,651	607,639	58	28,645	140,123	593,860	922	-	264,298
Telephone and utilities	42,135	26,904	1,962	53,616	219	18,945	54,798	65,719	-	-	982,784
Travel and accommodation	737,533	19,839	23,369	67,877	90,908	352	4,595	36,774	1,537	-	252,274
Tuition and training	11,122	-	178,052	1,729	37,795	-	-	23,576	-	-	-
	1,829,506	443,455	759,470	1,334,018	209,748	174,090	293,453	1,539,054	181,304	417,697	7,181,795

Surplus of revenue (expenditures) for the year

\$ (116,952)	\$ 737,662	\$ 47,552	\$ (440,436)	\$ (142,069)	\$ (49,671)	\$ (15,335)	\$ 167,959	\$ (20,601)	\$ 737,221	\$ 905,330
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\* Before income from investment in government business partnership

# Tahltan Indian Band

## Notes to Consolidated Financial Statements

March 31, 2016

### 22. Segmented Information (continued)

	2015						
Revenue	Economic Development	Government Development and Administration	SWWG	Housing	Public Works Operations and Maintenance	Social and Community Services	Capital Development
INAC	\$ 127,131	\$ 767,228	\$ 463,930	\$ -	\$ 224,369	\$ 335,188	\$ 326,891
INAC adjustment	(262,486)	-	-	-	-	-	-
Business enterprises	120,654	-	-	-	-	-	-
Canada Post	68,564	-	-	-	-	-	-
CWRC	108,201	-	-	24,298	-	-	-
Fisheries and Oceans Canada	-	-	-	-	-	-	-
Ottawa Trust	-	-	-	-	-	-	-
Rental	-	-	91,700	-	-	-	-
Tahltan Heritage Trust	-	-	-	84,270	-	-	-
Transfers	-	(35,000)	-	-	-	-	-
Other	200,826	10,016	21,740	-	2,050	-	(50,000)
	362,890	742,244	662,370	108,568	226,419	335,188	411,401
Expenditures							
Advertising	-	-	30,360	-	-	-	-
Amortization	-	-	-	-	-	-	-
Automotive	22,581	-	3,043	39,220	8,431	-	-
Contract services	234,978	-	60,646	5,259	34,527	294	2,257
Honoraria	-	-	24,000	141,860	-	70,125	50,762
Insurance	12,685	-	52,905	-	-	-	1,664
Materials and supplies	46,235	5,682	22,212	54,284	16,517	-	-
Office and miscellaneous	11,650	512	55,016	17,686	14,893	12,359	23,180
Other	35,581	8,400	22,350	5,790	1,756	-	4,338
Professional fees	607	-	106,714	783	-	101,720	-
Rental	16,800	16,800	20,459	-	22,829	-	188,017
Repairs and maintenance	19,684	-	4,725	900	8,400	47,092	105
Room and board	-	-	-	9,626	1,739	-	-
Salaries and benefits	213,049	440,563	259,706	61,696	85,465	87,670	-
Telephone and utilities	20,099	3,184	35,346	24,523	44,013	23,343	5,812
Travel and accommodation	27,020	25,739	42,570	4,510	915	1,916	1,519
Tuition and training	-	188,827	-	-	-	-	10,448
	660,969	733,760	740,052	366,137	239,485	344,519	288,102
Surplus of revenue (expenditures) for the year*	\$ (298,079)	\$ 8,484	\$ (77,682)	\$ (34,661)	\$ (257,569)	\$ (9,331)	\$ 123,299
							\$ 18,425
							\$ (540,180)

\* Before income from investment or allowances in government business enterprises and partnership

# Tahltan Indian Band

## Notes to Consolidated Financial Statements

March 31, 2016

### 23. First Nations Health Authority Financial Information

	Canada Prenatal Nutrition	Community Health Promotion	Mental Health and Addictions	Aboriginal Head Start	Brighter Futures	FNIHCC	HIV/AIDS	COHI
<b>Revenue</b>								
Administration fees	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Health and Welfare Canada	23,288	146,040	168,788	124,236	99,112	151,764	11,946	9,505
Other revenue	-	1,500	-	-	1,000	-	-	-
	<b>23,288</b>	<b>147,540</b>	<b>168,788</b>	<b>124,236</b>	<b>100,112</b>	<b>151,764</b>	<b>11,946</b>	<b>9,505</b>
<b>Expenditures</b>								
Administration	3,493	21,906	25,613	18,635	14,867	22,865	1,792	1,426
Advertising	-	240	-	-	-	-	-	-
Automotive	-	6,162	5,509	-	398	1,114	-	-
Client and community service	380	7,987	5,253	-	139	3,224	-	-
Contract services	-	7,922	41,594	5,242	666	16,027	1,354	-
Equipment rental and maintenance	-	1,139	-	-	-	-	-	-
Equipment and furniture purchases	-	2,349	-	5,686	571	2,114	-	-
Groceries and household supplies	143	10,194	5,820	463	1,300	852	-	-
Insurance, licenses and dues	-	2,022	1,722	4,350	796	4,892	-	-
Materials and supplies	42	760	6,712	-	1,161	5,579	-	-
Office supplies	-	-	2,026	-	-	450	-	-
Patient transportation	-	-	-	-	-	-	-	-
Professional fees	-	-	-	312	-	-	-	-
Program resource	4,185	2,760	20,073	1,394	5,917	699	-	-
Telephone	-	3,169	881	1,766	433	1,351	-	-
Training and workshops	-	-	600	1,722	-	-	8,800	-
Travel	145	8,412	10,291	-	775	5,330	-	-
Utilities	-	-	-	-	-	-	-	-
Wages and benefits	15,929	77,648	44,688	4,867	76,963	91,170	-	8,079
	<b>24,317</b>	<b>152,670</b>	<b>170,782</b>	<b>128,365</b>	<b>103,986</b>	<b>155,667</b>	<b>11,946</b>	<b>9,505</b>
Increase (decrease) of revenue over expenditures for the year	(1,029)	(5,130)	(1,994)	(4,129)	(3,874)	(3,903)	-	-
Surplus (deficit), beginning of year	-	-	-	-	-	-	-	-
Surplus (deficit), end of year	\$ (1,029)	\$ (5,130)	\$ (1,994)	\$ (4,129)	\$ (3,874)	\$ (3,903)	\$ -	\$ -

# Tahltan Indian Band

## Notes to Consolidated Financial Statements

March 31, 2016

### 23. First Nations Health Authority Financial Information (continued)

	2016					2015	
	Health Drinking Water	NIHB Patient Transport	NIHB Visiting Hlth Prof	NIHB Dental Care	Nurses' Transport	Health Governance	Total
<b>Revenue</b>							
Administration fees	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 118,081	\$ -
Health and Welfare Canada	15,103	563,203	37,422	-	-	223,679	1,574,086
Other revenue	-	-	-	-	12,962	4,925	20,387
	15,103	563,203	37,422	-	12,962	346,685	1,712,554
<b>Expenditures</b>							
Administration	2,265	-	5,613	-	-	100,000	218,475
Advertising	-	-	-	-	-	922	1,162
Automotive	-	-	-	-	-	5,347	18,530
Client and community service	-	-	-	-	-	-	16,983
Contract services	1,188	4,025	-	-	1,340	13,685	93,043
Equipment rental and maintenance	-	-	-	-	-	571	1,710
Equipment and furniture purchases	-	-	-	-	-	192	10,912
Groceries and household supplies	-	-	-	-	-	468	19,240
Insurance, licenses and dues	-	-	-	-	-	15,615	29,397
Materials and supplies	-	-	-	-	-	3,184	17,438
Office supplies	-	-	-	-	-	890	3,366
Patient transportation	-	673,405	-	-	-	-	673,405
Professional fees	-	-	-	-	-	342	654
Program resource	-	-	-	-	-	3,268	38,296
Telephone	-	-	-	-	-	8,041	15,641
Training and workshops	-	-	-	-	-	-	11,122
Travel	1,450	-	19,647	-	7,881	10,198	64,129
Utilities	-	-	-	-	-	15,057	19,924
Wages and benefits	10,200	-	-	-	-	167,474	576,079
	15,103	677,430	25,260	-	9,221	345,254	1,156,101
<b>Increase (decrease) of revenue over expenditures for the year</b>	-	(114,227)	12,162	-	3,741	1,431	(116,952)
<b>Surplus (deficit), beginning of year</b>	-	-	-	-	-	-	-
<b>Surplus (deficit), end of year</b>	\$ -	\$ (114,227)	\$ 12,162	\$ -	\$ 3,741	\$ 1,431	\$ (116,952)

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## Tahltan Indian Band Notes to Consolidated Financial Statements

March 31, 2016

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### 24. Restructuring Transaction

In the past, Tahltan Health and Social Services Authority ("THSSA") administered the First Nations Health Authority program to Band members as a non-for-profit organization beyond the control of the Band. Effective April 1, 2015, the Board of Directors of both the Band and THSSA voted to have control of THSSA transferred to the Band in order to improve operating efficiencies and reduce costs. Under Canadian public sector accounting standards, the Band is now required to consolidate the financial statements of THSSA due to this restructuring transaction.

The following represents THSSA's ending balances at March 31, 2015 just prior to the Band acquiring control. The difference between assets and liabilities has been recorded as revenue in the current year.

<b>Assets</b>	
Current	\$ 77,454
Non-current	<u>1,171,295</u>
	1,248,749
<b>Liabilities</b>	
Current	<u>278,070</u>
Gain on restructuring transaction	<u>\$ 970,679</u>

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**Tahltan Indian Band**  
**Notes to Consolidated Financial Statements**  
**Condensed Financial Information**  
**(Unaudited)**

**March 31, 2016**

**25. Condensed Financial Information**

	Stikine River Song Cafe and General Store Ltd.	Tahltan Nation Development Limited Partnership	Tahltan Centre Ltd.	2016 Total	2015 Total
<b>Assets</b>					
Current	\$ 18,037	\$ 9,982,780	\$ 66,151	\$ 10,066,968	\$ 7,319,383
Non-current	20,423	9,545,618	170,152	9,736,193	5,914,817
	<u>\$ 38,460</u>	<u>\$ 19,528,398</u>	<u>\$ 236,303</u>	<u>\$ 19,803,161</u>	<u>\$ 13,234,200</u>
<b>Liabilities</b>					
Current	\$ 9,188	\$ 2,098,592	\$ 195,904	\$ 2,303,684	\$ 2,045,188
Non-current	216,609	2,299,587	67,000	2,583,196	2,005,041
	<u>225,797</u>	<u>4,398,179</u>	<u>262,904</u>	<u>4,886,880</u>	<u>4,050,229</u>
	<u>(187,337)</u>	<u>15,130,219</u>	<u>(26,601)</u>	<u>14,916,281</u>	<u>9,183,971</u>
	<u>\$ 38,460</u>	<u>\$ 19,528,398</u>	<u>\$ 236,303</u>	<u>\$ 19,803,161</u>	<u>\$ 13,234,200</u>
<b>Revenue</b>	\$ 18,539	\$ 20,085,651	\$ 1,160,836	\$ 21,265,026	\$ 18,994,111
<b>Expenditures</b>	10,629	19,961,971	1,197,809	21,170,409	16,372,522
<b>Net income (loss)</b>	<u>\$ 7,910</u>	<u>\$ 123,680</u>	<u>\$ (36,973)</u>	<u>\$ 94,617</u>	<u>\$ 2,621,589</u>

Please note, the above financial information reflects 100% of the entities assets, liabilities, surplus (deficit), revenue and expenditures. Also, please note that because audited financial statements are not available for Stikine River Song Cafe and General Store Ltd. and Tahltan Centre Ltd. we were unable to determine the precise impact these entities would have on the financial statements had they been consolidated in accordance with Canadian public sector accounting standards, however, it does not appear that based on the information identified above the impact is not significant or pervasive.

