

Tahltan Indian Band
Consolidated Financial Statements
For the year ended March 31, 2017

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Management's Responsibility for the Consolidated Financial Statements

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 12, 2017. 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

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, 2017, 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., as described in Note 4, 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 annual surplus of the Band for the years ended March 31, 2017 and 2016, assets and liabilities as at March 31, 2017 and 2016, and accumulated surplus as at April 1 and March 31 for both the 2017 and 2016 years. Our audit opinion for the year ended March 31, 2016 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, 2017 and 2016, revenue and annual surplus (deficit) for the years ended March 31, 2017 and 2016, and accumulated surplus as at April 1 and March 31 for both the 2017 and 2016 years. Our audit opinion for the year ended March 31, 2016 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, 2017 and 2016, revenue and annual surplus (deficit) for the years ended March 31, 2017 and 2016, and accumulated surplus as at April 1 and March 31 for both the 2017 and 2016 years. Our audit opinion for the year ended March 31, 2016 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 the tangible capital assets, related amortization expenditure and annual surplus (deficit).

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 this departure has not been determined on the net book value of the tangible capital assets, related amortization expenditure and annual surplus (deficit).

Qualified Opinion

In our opinion, except for the 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, 2017 in accordance with Canadian public sector accounting standards.

Emphasis of Matter

Without modifying our opinion, we draw attention to Note 18 to the consolidated financial statements, which explains that certain comparative information for the year ended March 31, 2016 has been restated.

BDO Canada LLP
Chartered Professional Accountants

Edmonton, Alberta
July 26, 2017

Tahltan Indian Band

Consolidated Statement of Financial Position

March 31	2017	2016*
Financial Assets		
Cash	\$ 645,726	\$ 442,082
Restricted cash and temporary investments (Note 2)	71,669	70,959
Accounts receivable (Note 3)	446,012	380,322
Prepaid expenses	2,635	2,635
Recoveries receivable from INAC	-	13,946
Long-term investments (Note 4)	4,733,224	4,871,753
Due from government business enterprises (Note 5)	2	2
Trust assets (Note 6)	2,484,221	2,254,275
	<u>8,383,489</u>	<u>8,035,974</u>
Liabilities		
Bank indebtedness (Note 7)	-	75,000
Accounts payable and accrued liabilities (Note 8)	696,614	835,454
Deferred revenue (Note 9)	293,834	219,691
Long-term debt (Note 10)	886,207	277,599
	<u>1,876,655</u>	<u>1,407,744</u>
Net Financial Assets	6,506,834	6,628,230
Tangible Capital Assets (Note 11)	6,579,235	6,295,950
Non-financial Assets (Note 12)	100,000	100,000
Accumulated Surplus	<u>\$ 13,186,069</u>	<u>\$ 13,024,180</u>

* Restated - see Note 18

Approved on behalf of Chief & Council



Chief



Councilor

Tahltan Indian Band

Consolidated Statement of Operations

For the year ended March 31	Budget (Note 17)	2017	2016*
Revenue			
Federal Government:			
Indigenous and Northern Affairs Canada (INAC)	\$ 3,357,703	\$ 2,695,374	\$ 2,460,724
Canada Mortgage and Housing Corporation	-	76,618	23,243
Department of Fisheries and Oceans Canada	-	122,000	122,000
Health and Welfare Canada (Note 21)	-	1,832,493	1,574,086
Provincial Government:			
Northern Health Authority	-	48,288	62,229
Ottawa Trust (Note 6)	-	10,114	6,363
Tahltan Heritage Trust (Note 6)	-	219,832	217,870
Ministry of Justice	-	272,121	227,731
Ministry of Children and Family Development	-	304,699	311,454
Other:			
Other income	-	557,051	164,869
Rental income	-	105,835	128,845
Canada Post	-	78,231	76,004
Stikine Wholistic Working Group (SWWG)	-	78,281	294,334
Dividends from Tahltan Nation Development Corporation	-	58,694	182,123
Tahltan Central Council	-	175,529	508,392
Reserve contribution	-	4,000	4,000
Recoveries	-	-	38,199
Aboriginal housing	-	90,840	85,812
Gain on restructuring transaction (Note 22)	-	-	970,679
	3,357,703	6,730,000	7,458,957
Expenditures (Note 19)			
Economic development	128,545	447,818	435,056
Education	717,261	666,777	677,070
Government development and administration	1,329,162	1,169,718	1,313,918
Stikine Wholistic Working Group (SWWG)	394,334	277,021	209,748
Housing	30,000	262,944	213,989
Public works operations and maintenance	229,496	325,666	285,052
Social and community services	348,213	1,161,742	1,324,029
Capital development	-	206,290	181,304
First Nations Health Authority (Note 21)	253,771	1,607,850	1,535,664
Amortization	-	283,044	377,797
	3,430,782	6,408,870	6,553,627
Surplus of revenue (expenditures) before the undernoted	(73,079)	321,130	905,330
Loss from investment in government business partnership (Note 4)	-	(138,528)	(158,649)
Allowance for advances due from government business enterprises (Note 5)	-	(20,713)	-
Annual surplus (deficit)	\$ (73,079)	161,889	746,681
Accumulated surplus, beginning of year, as previously stated		13,425,797	12,506,935
Prior period adjustment (Note 18)		(401,617)	(229,436)
Accumulated surplus, beginning of year, as restated		13,024,180	12,277,499
Accumulated surplus, end of year		\$ 13,186,069	\$ 13,024,180

* Restated - see Note 18

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	2017	2016*
Annual surplus	\$ 161,889	\$ 746,681
Tangible capital assets:		
Purchase of tangible capital assets	(607,002)	(10,534)
Amortization of tangible capital assets	323,717	417,698
THSSA tangible capital assets on restructuring transaction (Note 22)	-	(1,174,485)
Decrease in net financial assets	(121,396)	(20,640)
Net financial assets, beginning of year, as previously stated	7,029,847	6,978,306
Prior period adjustment (Note 18)	(401,617)	(229,436)
Net financial assets, beginning of year, as restated	6,628,230	6,748,870
Non-financial assets acquired (Note 12)	-	(100,000)
Net financial assets, end of year	\$ 6,506,834	\$ 6,628,230

* Restated - see Note 18

Tahltan Indian Band Consolidated Statement of Cash Flows

For the year ended March 31	2017	2016*
Operating activities		
Annual surplus	\$ 161,889	\$ 746,681
Items not affecting cash:		
Amortization of tangible capital assets	323,717	417,698
Gain on restructuring transaction (Note 22)	-	(970,679)
Allowance for advances due from government business enterprises (Note 5)	20,713	-
Loss from investment in government business partnership (Note 4)	138,528	158,649
Reinvested interest income on temporary investments and restricted cash	(710)	(3,961)
Income from Ottawa Trust (Note 6)	(10,114)	(6,363)
Income from Tahltan Heritage Trust (Note 6)	(219,832)	(217,870)
Changes in operating balances:		
Increase in accounts receivable	(65,690)	(144,797)
Increase in prepaid expenses	-	(2,635)
Decrease (increase) in recoveries receivable from INAC	13,946	(13,946)
Increase (decrease) in accounts payable and accrued liabilities	(138,839)	229,131
Decrease in recoveries payable	-	(24,253)
Increase in deferred revenue	74,143	22,511
	297,751	190,166
Capital activities		
Purchase of tangible capital assets	(607,002)	(10,534)
Proceeds from (repayment of) bank indebtedness, net	(75,000)	75,000
	(682,002)	64,466
Investing activities		
Non-financial assets acquired (Note 12)	-	(100,000)
Advances to government business enterprises (Note 5)	(20,713)	-
THSSA bank indebtedness from restructuring transaction (Note 22)	-	(42,951)
	(20,713)	(142,951)
Financing activities		
Proceeds from long-term debt	673,716	-
Repayment of long-term debt	(65,108)	(46,369)
Repayment of obligation under capital lease	-	(25,849)
	608,608	(72,218)
Increase in cash for the year	203,644	39,463
Cash, beginning of year	442,082	402,619
Cash, end of year	\$ 645,726	\$ 442,082

* Restated - see Note 18

Tahltan Indian Band

Notes to Consolidated Financial Statements

March 31, 2017

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 and Housing Corporation ("CMHC") Social Housing is consolidated in the Band's financial statements.</p> <p>Effective April 1, 2015, the Band was given control over Tahltan Health and Social Services Authority ("THSSA") and THSSA is consolidated in the Band's financial statements.</p> <p>Tahltan Band Development Corporation ("TBDC") is a government organization that is owned 100% by the Band. TBDC owns 100% of Tahltan Centre Ltd. and Stikine River Song Cafe and General Store Ltd., which were transferred from the Band during the year.</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 held in segregated bank accounts 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 ("GICs") maturing November 2017 and December 2018. These investments are recorded at cost.</p>

Tahltan Indian Band

Notes to Consolidated Financial Statements

March 31, 2017

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 Development Corporation
- Tahltan Nation Development Limited Partnership

The government business enterprises and government business partnerships are accounted for using the modified equity method. Under this 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, 2017

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 useful 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 assured.

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

Trust assets represent amounts held by third-party's on behalf of the Band. Trust assets are recorded at market value and any investment income is recognized when earned.

Tahltan Indian Band

Notes to Consolidated Financial Statements

March 31, 2017

2. Restricted Cash and Temporary Investments

Temporary Investments

	2017	2016
CMHC Northern Savings Credit Union shares	\$ 32	\$ 31
RBC - GICs	1,257	1,246
CMHC Northern Savings - GICs	70,380	69,682
	\$ 71,669	\$ 70,959

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 November 2017. The CMHC Northern Savings GICs consist of three years at 1.10% 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

	2017	2016
Loans and account receivable	\$ 359,319	\$ 230,306
CMHC	1,936	1,936
Band member rent	1,473,447	1,516,506
GST/HST	23,944	29,757
	1,858,646	1,778,505
Less: allowance for doubtful accounts	(27,064)	(12,613)
Less: housing allowance for doubtful accounts	(1,385,570)	(1,385,570)
Net accounts receivable	\$ 446,012	\$ 380,322

Tahltan Indian Band

Notes to Consolidated Financial Statements

March 31, 2017

4. Long-term Investments

The Band has long-term investments in the following government business enterprises and government business 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.

	2017	Restated 2016
Tahltan Nation Development Limited Partnership	\$ 4,732,697	\$ 4,871,225

Tahltan Nation Development Corporation ("TNDC")

Tahltan Nation Development Corporation is a business corporation owned by the people of the Tahltan Nation through the Band, Iskut Band Council and 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 TNDC.

Tahltan Centre Ltd. ("TCL") - Subsidiary of TBDC

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 TBDC which 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") - Subsidiary of TBDC

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 TBDC which 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.

	TNDLP	TNDC	TCL	Stikine	2017 Total
Accumulated earnings	\$ 4,871,225	\$ 275	\$ -	\$ -	\$ 4,871,500
2017 income	-	58,694	-	-	58,694
Partnership loss	(138,528)	-	-	-	(138,528)
Shares	-	250	1	2	253
Dividends	-	(58,694)	-	-	(58,694)
	\$ 4,732,697	\$ 525	\$ 1	\$ 2	\$ 4,733,224

	TNDLP	TNDC	TCL	Stikine	2016 Total
Accumulated earnings	\$ 5,029,874	\$ 275	\$ -	\$ -	\$ 5,030,149
2016 income	-	182,123	-	-	182,123
Partnership loss	(158,649)	-	-	-	(158,649)
Shares	-	250	1	2	253
Dividends	-	(182,123)	-	-	(182,123)
	\$ 4,871,225	\$ 525	\$ 1	\$ 2	\$ 4,871,753

Tahltan Indian Band Notes to Consolidated Financial Statements

March 31, 2017

5. Due from Government Business Enterprises

	2017	2016
Stikine River Song Cafe and General Store Ltd.		
Balance, beginning of year	\$ 321,605	\$ 321,605
Current year advances	20,713	-
Less: allowance for doubtful accounts	(342,317)	(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.

6. Trust Assets

	2016	Additions	Withdrawals	2017
Ottawa Trust Funds				
Revenue	\$ 191,910	\$ 10,114	\$ -	\$ 202,024
Capital	1,293	-	-	1,293
	193,203	10,114	-	203,317
Tahltan Heritage Trust Fund	2,061,072	219,832	-	2,280,904
	\$ 2,254,275	\$ 229,946	\$ -	\$ 2,484,221

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 Band is a 33.3% beneficiary of the Tahltan Heritage Trust. 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.

7. Bank Indebtedness

The Band has a \$100,000 line of credit from RBC approved 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. As at year end, the line of credit was not in use (2016 - \$75,000 of the line of credit was drawn upon).

Tahltan Indian Band

Notes to Consolidated Financial Statements

March 31, 2017

8. Accounts Payable and Accrued Liabilities

	2017	2016*
Trade payables	\$ 142,021	\$ 274,607
Accrued liabilities	218,569	200,933
Grants payable (Note 18)	229,436	229,436
Accrued salaries and employee benefits payable	98,869	122,678
CMHC payable	7,719	7,800
	\$ 696,614	\$ 835,454

Included in accrued salaries and employee benefits payable are government remittances of \$27,942 (2016 - \$53,242).

*Restated - See Note 18

9. Deferred Revenue

	2017	2016
Indigenous and Northern Affairs Canada ("INAC")	\$ 197,180	\$ 197,180
THSSA amounts received in advance from the B.C. Government	7,570	22,151
CMHC prepaid rental revenue	-	360
SWWG deferred revenue	79,084	-
B.C. Government Ministry of Forestry	10,000	-
	\$ 293,834	\$ 219,691

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

The \$7,570 relating to the THSSA funding was received in 2017 to be used for health services in the 2018 fiscal year.

The \$79,084 received from SWWG is restricted to the funding for cultural purposes.

The \$10,000 received from the B.C. Government Ministry of Forestry is restricted to the funding of a feasibility study of the Band's potential economic development projects.

Tahltan Indian Band

Notes to Consolidated Financial Statements

March 31, 2017

10. Long-term Debt

The Band has established a revolving facility by way of a series of RBC term loans. The maximum limit of this revolving facility is \$750,000, bearing interest at the bank prime rate plus 1.55% per annum. This facility is secured by a Band Council Resolution authorizing the borrowings. As at year end, the balance of this facility was \$581,062 and is summarized in the RBC term loans below:

	2017	2016
Ford Credit Loan		
Ford Credit loan, repayable in monthly instalments of \$887 at 0% interest, maturing December 2018, secured by specific equipment with a net book value of \$14,462	\$ 18,625	\$ 29,269
RBC Loans		
RBC loan, 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 \$23,101	24,244	31,587
RBC component of revolving facility, repayable in monthly instalments of \$1,030 including interest at prime plus 1.55% per annum, maturing June 2026, secured by real property with a net book value of \$100,000	94,538	-
RBC component of revolving facility, repayable in monthly instalments of \$5,122 including interest at prime plus 1.55% per annum, maturing February 2026, secured by specific buildings with a net book value of \$500,000	486,524	-
Meridian OneCap Loan		
Meridian OneCap loan, repayable in monthly instalments of \$1,274 including interest at 5.3% per annum, maturing January 2022, secured by specific equipment with a net book value of \$62,661	65,028	-
	688,959	60,856
CMHC Mortgage		
CMHC mortgage, with monthly payments of \$1,872 including interest at 1.64% per annum, maturing August 2026, secured by ministerial guarantee from INAC	197,248	216,743
	\$ 886,207	\$ 277,599

Principal repayments on long-term debt for the next five years and thereafter are as follows, assuming the mortgage is renewed on similar terms:

2018	\$ 100,687
2019	101,620
2020	96,661
2021	91,913
2022	92,858
Thereafter	402,468
	\$ 886,207

Tahltan Indian Band
Notes to Consolidated Financial Statements

March 31, 2017

11. Tangible Capital Assets

	2017									
	Automotive Equipment	CMHC Housing	Buildings*	Furniture and Fixtures	Computer Equipment	Infrastructure	Leasehold Improvements	Equipment Under Lease	Land	Total
Cost, beginning 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
Additions	73,720	-	500,000	33,282	-	-	-	-	-	607,002
Cost, end of year	1,249,907	8,381,077	3,276,043	544,847	67,161	2,417,055	178,784	300,298	55,092	16,470,264
Accumulated amortization, beginning of year	878,170	5,574,445	1,040,218	411,769	57,922	1,375,184	54,379	175,225	-	9,567,312
Amortization	89,402	40,673	69,432	23,287	4,157	52,093	7,151	37,522	-	323,717
Accumulated amortization, end of year	967,572	5,615,118	1,109,650	435,056	62,079	1,427,277	61,530	212,747	-	9,891,029
Net book value, end of year	\$ 282,335	\$ 2,765,959	\$ 2,166,393	\$ 109,791	\$ 5,082	\$ 989,778	\$ 117,254	\$ 87,551	\$ 55,092	\$ 6,579,235

*Buildings include additions of \$500,000 which are construction in progress and no amortization has been recorded as at year end.

Tahltan Indian Band
Notes to Consolidated Financial Statements

March 31, 2017

11. Tangible Capital Assets (continued)

	2016									
	Automotive Equipment	CMHC Housing	Buildings	Furniture and Fixtures	Computer Equipment	Infrastructure	Leasehold Improvements	Equipment Under Lease	Land	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 22)	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 22)	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, 2017

12. Non-financial Assets

On December 15, 2015, the 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, 2017 and 2016 years 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.

13. 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.

14. Comparative Figures

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

15. 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 member's salary, contributions are directed to the member's contribution account. The amount of retirement benefit to be received by the members 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 \$93,884 (2016 - \$64,082) for retirement benefits.

16. 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 has long-term debt 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 and has long-term debt at variable rates of interest, a change in the variable rate can impact cash flow to service the debt. There has been no change to the risk exposure from 2016 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.

Tahltan Indian Band

Notes to Consolidated Financial Statements

March 31, 2017

17. 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 it.

18. Prior Period Adjustment

The comparative figures have been restated with respect to the following:

- Health and Welfare Canada sent the Band an invoice for \$123,426. This amount related to grants recognized as revenue for the fiscal year ended March 31, 2008, as the program was in a surplus. Management is currently disputing this amount as they have requested a reconciliation from Health and Welfare Canada, in addition to the invoice that was received. Management has accrued the amount despite the dispute until the matter is resolved.

- First Nations and Inuit Health Branch sent the Band an invoice for \$106,010. This amount related to grants recognized as revenue for the fiscal year ended March 31, 2013, as the program was in a surplus.

The impact of these corrections on the consolidated statement of financial position at March 31, 2016 is as follows:

	Previously Stated		Adjustment		As Restated
Accounts payable and accrued liabilities	\$ 606,018	\$	229,436	\$	835,454
Accumulated surplus, beginning of year	12,506,935		(229,436)		12,277,499

The comparative figures have also been restated to eliminate internal charges previously not eliminated in error. While there was no impact to the annual surplus for the year ended March 31, 2016, the correction resulted in a \$628,164 decrease in total revenue and expenditures. The impact on the individual revenue and expenditures is presented in the elimination column in Note 20.

There was an additional prior period adjustment pertaining to the March 31, 2016 financial statements. The Band has a 33.3% ownership interest in TNDLP. The financial statements of TNDLP are accounted for on the modified equity method as explained in Note 1 of the financial statements. The March 31, 2016 equity income of TNDLP recorded by the Band was based on internal financial statements prepared by management as the financial statements prepared by a public accountant were not available at the time that the Band's financial statements were issued. Subsequent to the release of the Band's 2016 financial statements, the TNDLP unaudited financial statements were issued on January 16, 2017. Accordingly, there was a significant difference between the amount the Band had recorded on the equity method and what the TNDLP issued financial statements disclosed. The total equity income previously reported on the Band's financial statements at March 31, 2016 was \$13,531. The income recorded should have been a loss of \$158,649 as per the issued financial statements. The difference of \$172,180 was adjusted through other income as restated on the consolidated statement of operations as well as adjusted through long-term investments on the restated consolidated statement of financial position.

Tahltan Indian Band
Notes to Consolidated Financial Statements

March 31, 2017

19. Statement of Expenditures by Objectives

	2017	2016
Expenditures		
Administration	\$ 63,582	\$ (32,443)
Advertising	36,507	29,450
Amortization	323,717	417,696
Automotive	6,962	16,253
Contract services	640,493	653,952
Honoraria	9,482	10,178
Insurance	119,753	154,324
Interest	15,435	7,756
Materials and supplies	194,400	231,670
Office and miscellaneous	139,964	180,092
Other	235,758	193,941
Professional fees	493,764	442,433
Rental	78,279	73,573
Repairs and maintenance	49,826	75,710
Room and board	378,288	406,802
Salaries and benefits	2,222,235	2,192,889
Telephone and utilities	285,283	264,297
Travel and accommodation	868,289	982,783
Tuition and training	246,853	252,271
Total expenditures for the year	\$ 6,408,870	\$ 6,553,627

Tahltan Indian Band

Notes to Consolidated Financial Statements

March 31, 2017

20. Segmented Information

The 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.

Health

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

Economic Development

This 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

This 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.

Stikine Wholistic Working Group ("SWWG")

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

Housing

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

Public Works Operations and Maintenance

This 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 ACRS project.

Tahltan Indian Band
Notes to Consolidated Financial Statements

March 31, 2017

20. Segmented Information (continued)

2017

		Economic		Government			Public Works		Social and		Capital Consolidation		
	Health	Development	Education	Administration	SWWG	Housing	Operations and Maintenance	Community Services	Development	Adjustments	Elimination	Total	
Revenue													
INAC	\$ -	\$ 128,545	\$ 732,231	\$ 609,067	\$ -	\$ -	\$ 231,361	\$ 960,888	\$ 33,282	\$ -	\$ -	\$ 2,695,374	
Business partnerships	-	58,694	-	-	-	-	-	-	-	-	-	58,694	
Canada Post	-	78,231	-	-	-	-	-	-	-	-	-	78,231	
CMHC	-	-	-	-	-	76,618	-	-	-	-	-	76,618	
FNHA	1,832,493	-	-	-	-	-	-	-	-	-	-	1,832,493	
Fisheries and Oceans													
Canada	-	122,000	-	-	-	-	-	-	-	-	-	122,000	
Ministry of Children	-	-	-	-	-	-	-	304,699	-	-	-	304,699	
Ministry of Justice	-	-	-	-	-	-	-	272,121	-	-	-	272,121	
Northern Health	-	-	-	48,288	-	-	-	-	-	-	-	48,288	
Ottawa Trust	-	-	-	-	-	-	-	-	-	10,114	-	10,114	
Rental	-	57,364	7,500	68,100	-	93,460	42,797	-	-	-	(163,386)	105,835	
SWWG	-	-	-	-	328,232	-	-	-	-	-	-	328,232	
Tahltan Central Council	-	175,529	-	-	-	-	-	-	-	-	-	175,529	
Tahltan Heritage Trust	-	-	-	-	-	-	-	-	-	219,832	-	219,832	
Other income	115,191	148,026	12,080	420,347	78,281	95,839	42,000	2,200	60,750	4,000	(576,774)	401,940	
	1,947,684	768,389	751,811	1,145,802	406,513	265,917	316,158	1,539,908	94,032	233,946	(740,160)	6,730,000	

Tahltan Indian Band
Notes to Consolidated Financial Statements

March 31, 2017

20. Segmented Information (continued)

2017

	Health	Economic Development	Education	Government Development and Administration	SWWG	Housing	Public Works Operations and Maintenance	Social and Community Services	Capital Development	Consolidation Adjustments	Elimination	Total
Expenditures												
Administration	236,951	-	60,361	2,614	22,000	-	-	224,097	6,772	-	(489,213)	63,582
Advertising	245	32,413	-	3,566	-	-	-	283	-	-	-	36,507
Amortization	-	-	-	-	-	40,673	-	-	-	283,044	-	323,717
Automotive	37,979	1,613	-	-	-	-	-	-	-	-	(32,630)	6,962
Contract services	76,987	116,830	1,378	116,240	126,709	77,086	83,346	94,312	24,987	-	(77,382)	640,493
Honoraria	2,062	-	-	6,870	-	-	-	-	550	-	-	9,482
Insurance	7,431	16,566	1,041	22,740	653	42,349	14,170	14,803	-	-	-	119,753
Interest	-	2,421	203	3,365	-	9,446	-	-	-	-	-	15,435
Materials and supplies	22,757	62,899	9,098	19,586	17,806	7,254	21,058	29,407	4,535	-	-	194,400
Office and miscellaneous	55,760	4,471	231	24,780	9,350	1,528	4,100	23,012	17,567	-	(835)	139,964
Other	-	20,304	15,354	44,522	8,175	1,195	-	146,208	-	-	-	235,758
Professional fees	8,650	36,108	-	290,546	-	7,500	-	6,100	144,860	-	-	493,764
Rental	294	16,800	8,400	19,972	-	-	8,400	92,513	-	-	(68,100)	78,279
Repairs and maintenance	8,322	19,880	3,870	14,049	3,791	4,045	3,763	64,106	-	-	(72,000)	49,826
Room and board	-	-	378,288	-	-	-	-	-	-	-	-	378,288
Salaries and benefits	699,659	110,338	66,935	502,855	69,830	46,492	142,981	582,874	271	-	-	2,222,235
Telephone and utilities	48,507	18,110	2,367	53,202	570	22,988	66,683	69,541	3,315	-	-	285,283
Travel and accommodation	656,811	23,662	22,262	64,622	7,484	2,388	11,429	76,196	3,435	-	-	868,289
Tuition and training	18,505	-	165,750	2,902	10,653	-	625	48,418	-	-	-	246,853
	1,880,920	482,415	735,538	1,192,432	277,021	262,944	356,555	1,471,869	206,292	283,044	(740,160)	6,408,870
Surplus of revenue (expenditures) for the year*	\$ 66,764	\$ 285,974	\$ 16,273	\$ (46,630)	\$ 129,492	\$ 2,973	\$ (40,397)	\$ 68,039	\$ (112,260)	\$ (49,098)	\$ -	\$ 321,130

* Before income from investment in government business partnership

Tahltan Indian Band
Notes to Consolidated Financial Statements

March 31, 2017

20. Segmented Information (continued)

2016*

	Health		Economic Development		Government Development and Administration		SWWG	Public Works Operations and Maintenance		Housing	Social and Community Services	Capital Development	Consolidation Adjustments	Elimination (Note 18)	Total
Revenue															
\$ -	\$ -	\$ 127,082	\$ 792,220	\$ 479,869	\$ -	\$ -	\$ -	\$ 256,143	\$ 805,410	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,460,724
INAC	-	-	-	-	-	-	-	-	13,946	-	-	-	-	-	13,946
INAC recovery	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Business partnership	-	182,123	-	-	-	-	-	-	-	-	-	-	-	-	182,123
Canada Post	-	76,004	-	-	-	-	-	-	-	-	-	-	-	-	76,004
CMHC	-	-	-	-	-	-	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	-	-	-	-	-	(130,742)	128,845
SWWG	-	-	-	-	-	294,334	-	-	-	-	-	-	-	-	294,334
Tahltan Central Council	-	508,392	-	-	-	-	-	-	-	-	-	-	-	-	508,392
Tahltan Heritage Trust	-	-	-	-	-	-	-	-	-	-	-	217,870	-	-	217,870
Transfers	-	-	-	-	-	(226,655)	-	-	226,655	68,245	(68,245)	-	-	-	-
Other income	138,468	71,980	14,802	308,584	-	-	-	-	121,817	92,458	998,926	(497,422)	-	-	1,249,613
	1,712,554	1,181,117	807,022	893,582	67,679	124,419	278,118	1,707,013	160,703	1,154,914	(628,164)	-	-	-	7,458,957

Tahltan Indian Band
Notes to Consolidated Financial Statements

March 31, 2017

20. 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	Elimination (Note 18)	Total
Expenditures												
Administration	235,063	-	69,000	-	-	-	-	157,640	-	-	(494,146)	(32,443)
Advertising	1,163	384	-	26,590	-	-	-	-	1,313	-	-	29,450
Amortization	-	-	-	-	-	39,899	-	-	-	377,797	-	417,696
Automotive	11,961	1,646	-	2,516	-	130	-	-	-	-	-	16,253
Contract services	93,042	102,057	5,000	115,680	22,036	32,539	40,309	300,688	24,119	-	(81,518)	653,952
Honoraria	400	-	-	8,778	-	-	-	-	1,000	-	-	10,178
Insurance	13,044	12,286	-	53,237	-	44,466	16,116	15,175	-	-	-	154,324
Interest	-	2,332	-	814	-	3,992	618	-	-	-	-	7,756
Materials and supplies	17,440	66,450	6,304	23,185	7,982	25,197	17,748	62,578	4,786	-	-	231,670
Office and miscellaneous	60,958	7,161	-	32,335	-	5,169	1,690	71,569	1,210	-	-	180,092
Other	-	1,819	8,930	17,753	50,750	1,065	-	113,624	-	-	-	193,941
Professional fees	653	1,631	-	277,749	-	7,500	3,302	7,708	143,890	-	-	442,433
Rental	50	8,700	8,400	25,743	-	-	8,400	74,780	-	-	(52,500)	73,573
Repairs and maintenance	12,572	14,628	-	18,777	-	6,090	5,754	15,363	2,526	-	-	75,710
Room and board	-	-	406,802	-	-	-	-	-	-	-	-	406,802
Salaries and benefits	592,375	177,619	51,651	607,639	58	28,645	140,122	593,857	923	-	-	2,192,889
Telephone and utilities	42,134	26,904	1,962	53,616	219	18,945	54,798	65,719	-	-	-	264,297
Travel and accommodation	737,532	19,839	23,369	67,877	90,908	352	4,595	36,774	1,537	-	-	982,783
Tuition and training	11,119	-	178,052	1,729	37,795	-	-	23,576	-	-	-	252,271
	1,829,506	443,456	759,470	1,334,018	209,748	213,989	293,452	1,539,051	181,304	377,797	(628,164)	6,553,627
Surplus of revenue (expenditures) for the year**	\$ (116,952)	\$ 737,661	\$ 47,552	\$ (440,436)	\$ (142,069)	\$ (89,570)	\$ (15,334)	\$ 167,962	\$ (20,601)	\$ 777,117	\$ -	\$ 905,330

*Restated - see Note 18

**Before income from investment in government business partnership

Tahltan Indian Band
Notes to Consolidated Financial Statements

March 31, 2017

21. First Nations Health Authority Financial Information

	Canada Prenatal Nutrition	Community Health Promotion	Mental Health and Addictions	HIV and Disease	FNHA Aboriginal Diabetes Initiative	Aboriginal Head Start	Brighter Futures	FNIHCC
Revenue								
Administration fees	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Health and Welfare Canada	24,569	91,091	74,184	1,113	66,980	154,604	104,563	160,111
Other income	-	1,548	3,000	-	-	-	-	-
	24,569	92,639	77,184	1,113	66,980	154,604	104,563	160,111
Expenditures								
Administration	3,685	13,064	11,128	167	10,047	19,660	15,684	25,161
Advertising	-	-	-	-	-	245	-	-
Automotive	-	161	8,762	-	-	5,644	4,798	9,380
Client and community service	31	606	713	-	3,077	2,882	2,072	6,853
Contract services	-	624	4,510	946	3,561	12,617	2,213	7,559
Equipment and furniture purchases	-	3,514	-	-	-	-	-	294
Equipment rental and maintenance	-	147	593	-	-	593	-	276
Groceries and household supplies	-	-	3,233	-	7,240	1,425	328	580
Insurance, licenses and dues	-	2,015	-	-	-	5,208	780	4,539
Materials and supplies	231	1,100	506	-	-	16,106	340	669
Office supplies	-	1,813	183	-	-	1,230	-	-
Patient transportation	-	-	-	-	-	-	-	-
Professional fees	-	4,900	-	-	-	-	-	-
Program resource	-	1,036	23,053	-	2,043	4,273	391	806
Telephone	-	2,348	594	-	2,525	2,004	134	1,908
Training and workshops	-	3,487	9,254	-	3,487	-	1,119	4,645
Travel	591	2,717	3,827	-	2,751	1,990	418	1,447
Utilities	-	-	-	-	-	5,985	-	-
Wages and benefits	18,992	53,526	9,823	-	31,709	70,749	73,218	92,078
	23,530	91,058	76,179	1,113	66,440	150,611	101,495	156,195
Surplus of revenue (expenditures) for the year	1,039	1,581	1,005	-	540	3,993	3,068	3,916
Accumulated surplus (deficit), beginning of year	(1,029)	(5,130)	(1,994)	-	-	(4,129)	(3,874)	(3,903)
Accumulated surplus (deficit), end of year	\$ 10	\$ (3,549)	\$ (989)	\$ -	\$ 540	\$ (136)	\$ (806)	\$ 13

Tahltan Indian Band
Notes to Consolidated Financial Statements

March 31, 2017

21. First Nations Health Authority Financial Information (continued)

	FNHA Solvent Abuse	COHI	FNHA Communicable Diseases	FNHA NNADAP	Health Governance	Recoveries	Healthy Drinking Water	NIHB Patient Transport
Revenue								
Administration fees	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Health and Welfare Canada	16,111	3,698	11,429	87,776	97,824	867,585	15,934	557,639
Other income	-	-	-	300	76,235	(42,127)	-	76,235
	16,111	3,698	11,429	88,076	174,059	825,458	15,934	633,874
Expenditures								
Administration	2,417	555	1,714	13,166	555	-	2,390	76,235
Advertising	-	-	-	-	-	-	-	-
Automotive	-	-	-	-	10,430	-	-	-
Client and community service	-	-	-	9,864	-	-	-	-
Contract services	-	-	5,956	4,000	5,927	-	-	-
Equipment and furniture purchases	-	-	-	-	-	-	-	-
Equipment rental and maintenance	-	-	-	147	817	-	-	-
Groceries and household supplies	-	-	-	-	-	-	-	-
Insurance, licenses and dues	-	-	-	1,686	8,530	-	-	-
Materials and supplies	-	-	-	-	676	-	-	-
Office supplies	-	-	-	-	144	-	-	-
Patient transportation	-	-	-	-	-	-	-	600,018
Professional fees	-	-	3,750	-	-	-	-	-
Program resource	5,000	-	-	1,722	103	-	-	-
Telephone	-	-	-	1,631	-	-	-	-
Training and workshops	-	-	-	-	-	-	-	-
Travel	-	-	-	10,146	3,386	-	-	-
Utilities	-	-	-	-	-	-	-	-
Wages and benefits	8,694	3,143	-	44,968	129,071	188,816	13,544	-
	16,111	3,698	11,420	87,330	159,639	188,816	15,934	676,253
Surplus of revenue (expenditures) for the year	-	-	9	746	14,420	636,642	-	(42,379)
Accumulated surplus (deficit), beginning of year	-	-	-	-	1,431	-	-	(114,227)
Accumulated surplus (deficit), end of year	\$ -	\$ -	\$ 9	\$ 746	\$ 15,851	\$ 636,642	\$ -	\$ (156,606)

Tahltan Indian Band
Notes to Consolidated Financial Statements

March 31, 2017

21. First Nations Health Authority Financial Information (continued)

	NIHB Visiting Hlth Prof	NIHB Dental Care	Nurses' Transport	Elimination	2017 Total	2016* Total
Revenue						
Administration fees	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 118,081
Health and Welfare Canada	37,422	6,000	-	(546,140)	1,832,493	1,574,086
Other income	-	-	-	-	115,191	20,387
	37,422	6,000	-	(546,140)	1,947,684	1,712,554
Expenditures						
Administration	5,613	900	-	(240,440)	(38,299)	(75,364)
Advertising	-	-	-	-	245	1,162
Automotive	-	-	-	(32,630)	6,545	18,530
Client and community service	-	835	-	-	26,933	16,983
Contract services	-	-	3,700	-	51,613	93,043
Equipment and furniture purchases	-	-	-	-	3,808	10,912
Equipment rental and maintenance	-	-	-	-	2,573	1,710
Groceries and household supplies	-	-	-	-	12,806	19,240
Insurance, licenses and dues	-	-	-	-	22,758	29,397
Materials and supplies	-	-	-	-	19,628	17,438
Office supplies	-	-	-	-	3,370	3,366
Patient transportation	-	-	-	-	600,018	673,402
Professional fees	-	-	-	-	8,650	654
Program resource	-	-	-	-	38,427	38,296
Telephone	-	-	-	-	11,144	15,641
Training and workshops	-	-	-	-	21,992	11,122
Travel	22,376	-	17,401	-	67,050	64,129
Utilities	-	-	-	-	5,985	19,924
Wages and benefits	-	4,265	8	-	742,604	576,079
	27,989	6,000	21,109	(273,070)	1,607,850	1,535,664
Surplus of revenue (expenditures) for the year	9,433	-	(21,109)	(273,070)	339,834	176,890
Accumulated surplus (deficit), beginning of year	12,162	-	3,741	293,842	176,890	-
Accumulated surplus (deficit), end of year	\$ 21,595	\$ -	\$ (17,368)	\$ (566,912)	\$ 516,724	\$ 176,890

Tahltan Indian Band

Notes to Consolidated Financial Statements

March 31, 2017

22. 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 THSSA and the Chief and Council of the Band 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 prior year.

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

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

March 31, 2017

23. Condensed Financial Information

	Stikine River Song Cafe and General Store Ltd.	Tahltan Nation Development Limited Partnership*	Tahltan Centre Ltd.	2017 Total	2016 Total
Assets					
Current	\$ 18,834	\$ 10,291,567	\$ 66,151	\$ 10,376,552	\$ 10,066,968
Non-current	18,009	9,596,412	170,152	9,784,573	9,736,193
	\$ 36,843	\$ 19,887,979	\$ 236,303	\$ 20,161,125	\$ 19,803,161
Liabilities					
Current	\$ 4,648	\$ 4,640,294	\$ 195,904	\$ 4,840,846	\$ 2,303,684
Non-current	242,372	1,048,647	67,000	1,358,019	2,583,196
	247,020	5,688,941	262,904	6,198,865	4,886,880
Surplus (deficit)	(210,177)	14,199,038	(26,601)	13,962,260	14,916,281
	\$ 36,843	\$ 19,887,979	\$ 236,303	\$ 20,161,125	\$ 19,803,161
Revenue	\$ 86,269	\$ 19,393,279	\$ 1,160,836	\$ 20,640,384	\$ 21,265,026
Expenditures	108,966	19,808,893	1,197,809	21,115,668	21,170,409
Net income (loss)	\$ (22,697)	\$ (415,614)	\$ (36,973)	\$ (475,284)	\$ 94,617

Please note, the above financial information reflects 100% of the entities assets, liabilities, surplus (deficit), revenue and expenditures. Also, 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 the impact is significant or pervasive based on the information identified above. The 2017 figures of Tahltan Centre Ltd. are not available and the 2016 figures have been presented.

*The Band owns 33.3% of the partnership, these numbers represent the 100% condensed financial information.