

Consolidated Financial Statements of

TESLIN TLINGIT COUNCIL

Year ended March 31, 2015
(Unaudited)

TESLIN TLINGIT COUNCIL
Consolidated Financial Statements

Year Ended March 31, 2015

Consolidated Financial Statements:

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TESLIN TLINGIT COUNCIL

Consolidated Statement of Financial Position

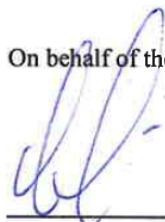
March 31, 2015, with comparative information for 2014
(Unaudited)

	2015	2014
Financial Assets		
Cash and cash equivalents	\$ 1,011,777	\$ 1,014,280
Restricted cash and cash equivalents (note 3)	172,904	146,823
Investments	22,643,646	23,291,688
Grants and other amounts receivable (note 4)	876,847	692,896
Business investments and receivables from related parties	24,599,606	21,827,971
	<u>49,304,780</u>	<u>46,973,658</u>
Liabilities		
Accounts payable and accrued liabilities	1,993,579	2,143,871
Deferred revenue (note 5)	520,105	282,767
CMHC Reserves	172,904	146,823
Debt (note 6)	2,101,237	2,048,412
	<u>4,787,825</u>	<u>4,621,873</u>
Net financial assets	44,516,955	42,351,785
Non-financial assets		
Tangible capital assets (note 7)	13,219,445	12,767,011
Inventories of supplies	41,711	53,558
Prepaid expenses	32,854	6,305
	<u>13,294,010</u>	<u>12,826,874</u>
Accumulated surplus (note 8)	\$ 57,810,965	\$ 55,178,659

Contingent liabilities and obligations (note 9)

See accompanying notes to consolidated financial statements.

On behalf of the Council:



Executive



Executive

TESLIN TLINGIT COUNCIL

Consolidated Statement of Operations

Year ended March 31, 2015, with comparative information for 2014
(Unaudited)

	Budget (note 1(c))	2015	2014
Revenue			
Financial Transfer Agreement (FTA)	\$ 9,346,671	\$ 9,367,531	\$ 9,111,340
Department of Indian Affairs	205,023	546,386	955,179
Other Federal Government	406,434	388,362	491,881
Yukon Territorial Government	298,300	641,906	822,414
Aboriginal organizations	219,600	289,623	362,511
Investment income	713,025	1,438,725	1,939,778
Business income	206,000	1,196,606	1,185,672
Taxation and royalty revenues	1,192,568	1,146,657	1,374,853
Other revenue (note 11)	405,065	2,167,196	2,655,441
	<u>12,992,686</u>	<u>17,182,992</u>	<u>18,899,069</u>
Expenses			
Governance: Political & negotiations	2,191,756	2,775,805	2,463,595
Governance: Administration	2,543,578	2,319,244	2,108,254
Education & Language Programs	1,199,687	1,209,623	1,124,100
Heritage and Arts	875,903	863,671	983,708
Health and Social development	2,035,968	1,909,767	1,960,059
Lands and Resources and Economic Development	1,075,572	1,312,475	1,692,450
Operations/maintenance/capital	3,180,020	3,078,371	2,600,101
Justice	1,335,938	442,364	227,026
General funds	-	15,240	8,567
Investment in Trusts and Business	956,927	624,126	309,405
	<u>15,395,349</u>	<u>14,550,686</u>	<u>13,477,265</u>
Annual surplus (deficit)	(2,402,663)	2,632,306	5,421,804
Accumulated surplus, beginning of year	55,178,659	55,178,659	49,756,855
Accumulated surplus, end of year	<u>\$ 52,775,996</u>	<u>\$ 57,810,965</u>	<u>\$ 55,178,659</u>

See accompanying notes to consolidated financial statements.

TESLIN TLINGIT COUNCIL

Consolidated Statement of Changes in Net Financial Assets

Year ended March 31, 2015, with comparative information for 2014
(Unaudited)

	Budget	2015	2014
	(note 1(c))		
Annual surplus (deficit)	\$ (2,402,663)	\$ 2,632,306	\$ 5,421,804
Net acquisition of tangible capital assets	(276,818)	(1,161,090)	(868,741)
Contributed tangible capital assets	-	-	(2,000,000)
Amortization of tangible capital assets	-	708,656	623,755
Net change in inventories of supplies	-	11,847	(6,921)
Net change in prepaids	-	(26,549)	36,811
Increase (decrease) in net financial assets	(2,679,481)	2,165,170	3,206,708
Net financial assets, beginning of year	42,351,785	42,351,785	39,145,077
Net financial assets, end of year	\$ 39,672,304	\$ 44,516,955	\$ 42,351,785

See accompanying notes to consolidated financial statements.

TESLIN TLINGIT COUNCIL

Consolidated Statement of Changes in Cash Flows

Year ended March 31, 2015, with comparative information for 2014
(Unaudited)

	2015	2014
Operating activities		
Annual surplus	\$ 2,632,306	\$ 5,421,804
Non-cash items included in annual surplus		
Amortization	708,656	623,755
Contributed Tangible Capital Assets	-	(2,000,000)
Gain on sale of investment	(790,639)	(1,310,067)
Equity income	(1,196,606)	(1,185,672)
	1,353,717	1,549,820
Changes in non-cash working capital		
Grants and other receivables	(183,951)	278,963
Accounts payable and accrued liabilities	(150,292)	111,935
Deferred revenue	237,338	(49,972)
CMHC Reserves	26,081	24,999
Inventories of supplies	11,847	(6,921)
Prepaid expenses	(26,549)	36,812
Cash provided by operating activities	1,268,191	1,945,636
Investing activities		
Net acquisition of tangible capital assets	(1,161,090)	(868,741)
Decrease in business investments and receivables from related parties	(1,575,029)	(1,214,188)
Acquisition of investments	(5,027,325)	(14,241,539)
Proceeds on sale of investments	6,466,006	14,304,571
Increase in restricted cash and cash equivalents	(26,081)	(24,999)
Cash applied to investing activities	(1,323,519)	(2,044,896)
Financing activities		
Proceeds of debt issued	158,818	-
Principal payment on debt	(105,993)	(92,627)
Cash provided by financing activities	52,825	(92,627)
Decrease in cash and cash equivalents	(2,503)	(191,887)
Cash and cash equivalents, beginning of year	1,014,280	1,206,167
Cash and cash equivalents, end of year	\$ 1,011,777	\$ 1,014,280

See accompanying notes to consolidated financial statement

TESLIN TLINGIT COUNCIL
Notes to Consolidated Financial Statements

Year ended March 31, 2015
(Unaudited)

The Teslin Tlingit Council is composed of five clans of Tlingit ancestry who have traditionally resided in the Teslin Tlingit Region. The Teslin Tlingit Council is responsible for the well-being of its people and for the protection of ancestral land and resources for the Teslin Tlingit people and future generations.

1. Significant accounting policies:

(a) Basis of presentation:

These consolidated financial statements are prepared in accordance with the recognition and measurement principles of the Canadian generally accepted accounting principles as prescribed by the Public Sector Accounting Board (“PSAB”) of Canadian Chartered Professional Accountants. These consolidated financial statements do not include certain disclosures required by PSAB pertaining to investments, businesses and related party balances. Readers are cautioned that these consolidated financial statements may not be appropriate for their readers.

(b) Use of estimates:

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from these estimates. Significant areas requiring the use of management estimates relate to the determination of allowance of doubtful accounts, provision for contingencies, estimating contributed capital assets, developer contribution and estimates of useful lives of tangible capital assets. Adjustments, if any, will be reflected in the financial statements in the year of settlement or change in amount of the estimate.

(c) Budget:

The budget information reported in the consolidated statements of operations was adopted by TTC (General Council) on February 26, 2014.

(d) Cash and cash equivalents:

Cash and cash equivalents are comprised of cash on hand and short-term investments with original terms to maturity of 90 days or less at the date of acquisition.

(e) Investments:

Investments are carried at cost or at cost less impairment losses to reflect any declines in value which are other-than-temporary. Dividends from these investments are included in revenue. Discounts/premiums arising on purchase of bonds are amortized over the period to maturity.

TESLIN TLINGIT COUNCIL

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2015
(Unaudited)

1. Significant accounting policies (continued):

(f) Non-financial assets:

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They may have useful lives extending beyond the current year and are not intended for sale in the ordinary course of operations.

(i) Tangible capital assets:

Tangible capital assets are recorded at cost which includes amounts that are directly attributable to acquisition, construction, development, or betterment of the asset. The cost of the tangible capital assets, excluding land and housing assets acquired under the Canadian Mortgage and Housing Corporation (“CMHC”), are amortized on a straight line basis over their useful lives as follows:

<u>Asset</u>	<u>Useful Life</u>
Buildings	15-30 years
Roads	20-30 years
Building betterments	10 years
<u>Equipment and vehicles</u>	<u>5-10 years</u>

The administration complex and housing assets acquired under the Canadian Mortgage and Housing Corporation (“CMHC”) sponsored-housing programs are recorded at cost. Amortization of these assets is provided on a declining balance basis over the estimated useful life of the building.

Amortization is charged over the asset’s useful life commencing when the asset is acquired. Constructed assets are not amortized until the asset is available for productive use.

(ii) Contributions of tangible capital assets:

Tangible capital assets received as contributions are recorded at their fair value at the date of receipt and are also recorded as revenue.

(iii) Crown lands:

Settlement Lands (see note 9(b)) have not been recorded in the consolidated financial statements as they are considered crown lands.

(iv) Natural resources:

Natural resources that have not been purchased are not recognized as assets in the consolidated financial statements.

(v) Works of art and cultural and historic assets:

Works of art and cultural and historic assets are not recorded as assets in the consolidated financial statements.

TESLIN TLINGIT COUNCIL

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2015

(Unaudited)

1. Significant accounting policies (continued):

(f) Non-financial assets (continued):

(vi) Interest capitalization:

TTC does not capitalize interest costs associated with the construction of the tangible capital assets.

(vii) Inventories of supplies

Inventories of supplies held for consumption are recorded at the lower of cost and replacement cost.

(g) Revenue recognition:

(i) Government transfers are recognized as revenue in the year the transfer is authorized by the transferring government and eligible criteria, if any, have been met by TTC, except when and to the extent that the transfer gives rise to a liability. If a liability is created, then the corresponding amount is recorded as a deferred revenue and is recognized as revenue when and in proportion to how the liability is settled, through the transfer of use of assets, or the provision of goods and services.

(ii) Income from investments is recorded on an accrual basis.

(iii) Contributed tangible capital assets are recorded at their fair value at the date they were contributed and are also recorded as contributed revenue.

(h) Segmented disclosure:

A segment is defined as a distinguishable activity or group of activities of a government for which it is appropriate to separately report financial information to achieve the objectives of the standard. TTC has provided definitions of segments used by TTC as well as presented financial information in segmented format in note 14.

(i) Employee future benefits:

TTC and its employees make contributions to a group Registered Retirement Savings Plan (RRSP). This plan is a defined contribution plan and contributions by TTC to the plan are expensed as incurred.

Sick leave benefit also accrues to TTC's employees. The liability relating to this benefit is actuarially determined based on service and best estimates of retirement ages and expected future salary and wage increases. The liability under this benefit plan is accrued based on projected benefits prorated as employees render service necessary to earn future benefits.

TESLIN TLINGIT COUNCIL

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2015

(Unaudited)

1. Significant accounting policies (continued):**(j) Contaminated sites:**

A liability for contaminated sites is recognized when a site is not in productive use and the following criteria are met:

- (i) An environmental standard exists;
- (ii) Contamination exceeds the environmental standard;
- (iii) TTC is directly responsible or accepts responsibility
- (iv) It is expected that future economic benefits will be given up; and
- (v) A reasonable estimate of the amount can be made.

The liability is recognized as management's estimate of the cost of post-remediation including operation, maintenance and monitoring that are an integral part of the remediation strategy for a contaminated site.

2. Adoption of new accounting policy:

On April 1, 2014, TTC adopted PS 3260 Liability for Contaminated Sites. The standard was applied on a retroactive basis to April 1, 2013 and did not result in any adjustments to financial liabilities, tangible capital assets or accumulated surplus of TTC.

3. Restricted cash and cash equivalents:

Restricted cash and cash equivalents represent the replacement and surplus subsidy reserves arising from the CMHC housing programs. The funds may only be used as approved by CMHC.

4. Grants and other amounts receivable:

	2015	2014
Due from First Nations Citizens	\$ 447,871	\$ 405,209
Less allowance for doubtful accounts	(357,966)	(304,316)
Net receivable from citizens	89,905	100,893
Goods and Services Tax receivable	219,219	233,950
Grants and interest receivable	567,723	358,053
	\$ 876,847	\$ 692,896

TESLIN TLINGIT COUNCIL

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2015

(Unaudited)

5. Deferred Revenue:

	2015	2014
Canada Revenue Agency – Goods & Services Tax Revenue	\$ 33,913	\$ 36,728
Canada Revenue Agency – Personal Income Tax	213,447	236,147
Yukon Government – School lease	53,500	-
AANDC – Negotiations	84,262	-
TTC Daycare – prepaid April 2015	12,252	1,583
TTC tenants – prepaid rental income for April 2015	2,501	8,202
Yukon Government – Forestry Industry Bioenergy Project	2,920	-
Yukon Government – Gas Tax for Land Registry System	6,750	-
Yukon Government – Heritage Centre renovation	15,000	-
Yukon Government – Elder in the School	2,500	-
Yukon Government – Daycare Direct Operating Grant	8,276	-
TTC Education Repayment – April 2014	-	107
Village of Teslin – Road Project	12,000	-
CanNor – Deferred Capital Land Treatment Facility	72,784	-
	\$ 520,105	\$ 282,767

TESLIN TLINGIT COUNCIL

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2015

(Unaudited)

6. Debt

	2015	2014
Canadian Imperial Bank of Commerce:		
Project #8 – mortgage for four houses at Teslin for C. Sheldon, B. Goodwin, House 159 & M. Jackson. Interest at 2.59% with monthly payments of principal and interest of \$1,804, renewal February 1, 2016 due on April 1, 2016.	\$ 22,367	\$ 49,125
Canada Mortgage & Housing Corporation:		
Project #001 – mortgage for three houses at Teslin, Units #71 a/b, #78 and #79, Interest at 1.62% with monthly payments of principal and interest of \$2,176, renewal March 1, 2018, due March 1, 2028.	306,469	327,486
Project #002 – mortgage for a six-plex. Interest at 1.12% with monthly payments of principal and interest of \$1,776. Renewal February 1, 2020 due February 1, 2035.	380,754	394,891
Project #003 – mortgage for one house. Interest at 1.12% with monthly payments of principal and interest of \$332. Renewal February 1, 2020 due February 1, 2035.	71,080	73,890
Project #004 – mortgage for two houses. Interest at 1.12% with monthly payments of principal and interest of \$1,105. Renewal February 1, 2020 due February 1, 2035.	236,852	246,220
Project #005 – mortgage for construction of 3 houses. Interest at 2.75% with monthly payments of principal and interest of \$2,072. Renewal June 1, 2016 due May 1, 2036.	400,217	413,992
Project #006 – Interest at 1.39% with monthly payments of principal and interest of \$1,089. Renewal August 1, 2017 due August 1, 2037.	251,980	261,500
Project #007 – mortgage for construction of one duplex. Interest at 2.35% with monthly payments of principal and interest of \$1,256. Renewal September 1, 2018 due September 1, 2038.	272,700	281,308
Dana Naye Ventures:		
Loan for Land Treatment Facility. Interest at 8.75% with monthly payments of principal and interest of \$2,306. Due January 15, 2025.	158,818	-
	\$ 2,101,237	\$ 2,048,412

Estimated principal repayments over the next 5 years and thereafter are as follows:

2016	\$ 129,302
2017	109,037
2018	111,296
2019	113,610
2020	115,983
Thereafter	1,522,009
	\$ 2,101,237

TESLIN TLINGIT COUNCIL

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2015

(Unaudited)

7. Tangible capital assets

	Cost				Balance, end of year	Accumulated amortization					2015 Net book value	2014 Net book value
	Balance, beginning of year	Additions	Disposals	Transfer		Balance, beginning of year	Amortization	Accumulated amortization on disposals	Transfer	Balance, end of year		
Houses under CMHC Pre 1997	\$ 751,022	\$ -	\$ (102,945)	\$ (295,022)	\$ 353,055	\$ 701,899	\$ 26,758	\$ (102,945)	\$ (295,022)	\$ 330,690	\$ 22,365	\$ 49,123
Houses under CMHC Post 1996	2,309,780	-	-	-	2,309,780	310,491	79,234	-	-	389,725	1,920,055	1,999,289
TTC Equity	1,819,319	-	-	-	1,819,319	228,371	60,644	-	-	289,015	1,530,304	1,590,948
TTC Houses	2,277,292	-	-	295,022	2,572,314	1,856,941	37,372	-	295,022	2,189,335	382,979	420,351
Buildings	5,816,655	-	-	-	5,816,655	3,011,021	208,861	-	-	3,219,882	2,596,773	2,805,634
Roads	1,481,591	273,821	-	(142,032)	1,613,380	214,795	24,212	-	(3,531)	235,476	1,377,904	1,266,796
Equipment & vehicles	2,391,707	239,088	-	-	2,630,795	1,842,793	148,096	-	-	1,990,889	639,906	548,914
Trust Land	2,128,256	426,777	-	-	2,555,033	-	-	-	-	-	2,555,033	2,128,256
Trust Other Assets	225,000	28,597	-	-	253,597	186,670	1,667	-	-	188,337	65,260	38,330
Heritage Centre	3,441,309	-	-	-	3,441,309	1,521,939	114,710	-	-	1,636,649	1,804,660	1,919,370
Land Treatment Facility	-	192,807	-	142,032	334,839	-	7,102	-	3,531	10,633	324,206	-
Total	\$ 22,641,931	\$ 1,161,090	\$ (102,945)	\$ -	\$ 23,700,076	\$ 9,874,920	\$ 708,656	\$ (102,945)	\$ -	\$ 10,480,631	\$ 13,219,445	\$ 12,767,011

TESLIN TLINGIT COUNCIL

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2015

(Unaudited)

8. Accumulated surplus:

	March 31, 2014	Annual surplus	Interfund transfers	March 31, 2015
Government activities	\$ 2,018,031	\$ (607,294)	\$ (1,119,245)	\$ 291,492
Investment in trusts & businesses	39,208,221	3,239,600	(785,907)	41,661,914
Reserve for own source offsets	1,021,034	-	38,845	1,059,879
Reserve for equipment replacement	100,000	-	880	100,880
Reserve for capital construction	688,461	-	138,183	826,644
Reserve for Justice	-	-	1,062,682	1,062,682
Operating reserve	1,167,691	-	(216,484)	951,207
Reserve for insurance	168,895	-	163,612	332,507
Reserve for Clan Empowerment	34,169	-	9,585	43,754
Reserve for School Lease	-	-	320,088	320,088
Capital equity	10,718,599	-	399,609	11,118,208
Other equity	53,558	-	(11,848)	41,710
	\$ 55,178,659	\$ 2,632,306	\$ -	\$ 57,810,965

9. Contingent liabilities and obligations:**(a) Guarantees**

TTC has guaranteed mortgages of certain First Nations' citizens totaling \$15,832 at March 31, 2015 (March 31, 2014 - \$23,394). No amounts have been recorded in the consolidated financial statements relating to these guarantees.

(b) Land

TTC retained approximately 937 square miles of land as Settlement Lands through its Final Agreement which was signed on May 29, 1993 and for which enabling legislation was passed on February 14, 1995.

Through this Agreement, TTC became responsible for the protection and administration of all lands and resources connected to these lands. This also created the obligation to develop and pass laws, and the duty to enforce these laws on Settlement Lands.

The Agreement also created the obligation to pay taxes on certain Settlement Lands. This situation will not change until TTC passes its own law and negotiates a tax sharing agreement with Yukon Territorial Government ("YTG"). With the responsibility for the care of these lands and resources comes the cost of developing laws, enforcing laws, registering interests, assessing values and applications and monitoring performance of permittees and lessees.

TESLIN TLINGIT COUNCIL

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2015
(Unaudited)**10. Employee future benefits:**

- (a) TTC has a group Registered Retirement Savings Plan (“RRSP”) for all eligible employees. All regular employees are eligible to participate in the plan. Contributions are 5.5% of annual salary by both the employer and the employee. RRSP contributions made and expensed by TTC for 2015 - \$267,515 (2014 - \$245,668).
- (b) TTC provides sick leave benefits to its employees. The liability associated with this benefit is calculated based on the present value of expected future payments pro-rated from services. The liability is included in the accounts payable and accrued liabilities.

	2015	2014
Balance, beginning of year	\$ 129,827	\$ 107,445
Current service cost	25,300	19,000
Interest cost	6,800	5,000
Benefits paid	(7,856)	(1,618)
Balance, end of year	\$ 154,071	\$ 129,827

An actuarial valuation for these benefits was performed to determine TTC’s accrued benefit obligation as at March 31, 2015. The difference between the actuarially determined accrued benefits obligation of \$200,600 and the liability of \$180,744 as at March 31, 2015 is an unamortized net actuarial loss of \$19,856. This actuarial loss is being amortized over a period equal to the employees’ average remaining service of 10 years.

	2015	2014
Actuarial benefit obligation:		
Liability, end of year	\$ 156,071	\$ 129,827
Unamortized actuarial loss	44,529	26,673
Balance, end of year	\$ 200,600	\$ 156,500

Actuarial assumptions used to determine TTC’s accrued benefit obligation are as follows:

	2015	2014
Discount rate	2.70%	3.80%
Expected future inflation rate	2.50%	2.50%
Expected wage and salary range increases	3.00%	3.00%

11. Other revenue:

Included in other revenue are the gain on sales of Yukon Inn Trust and Yukon Indian Development Corporation.

In 2014, other revenue included \$2,000,000 contributed capital assets which represents the market value of a school which was returned to TTC. There are no contributed capital assets during 2015.

12. Financial Transfer Agreement (“FTA”):

The existing self-government FTA between the Government of Canada and TTC expired on March 31, 2015. TTC is in negotiations with Canada to enter into a new FTA. Until a new agreement has been concluded, the financing provisions of the expiring FTA shall continue for a further two years or for such period as may be agreed by Canada and TTC.

TESLIN TLINGIT COUNCIL

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2015

(Unaudited)

13. Comparative figures:

Certain comparative figures have been reclassified to conform with the financial statement presentation adopted for the current year.

14. Segmented information:

TTC provides a wide range of services to its citizens. For management reporting purpose, TTC's operations and activities are organized and reported by department. Certain departments that have been separately disclosed in the segmented information, along with the services they provide, are as follows:

Governance: Political and Negotiations – The Governance function includes overseeing all of TTC departments and operations. It includes intergovernmental relations, negotiations, policy and legislative development, and implementation. The support staff, legal counsel and administrative costs for General Council, Executive Council and the Elders Council are also included in this area.

Governance: Administration – This function includes reception, accounting, human resource management, staff training, equipment replacement reserve, materials management, information technology, citizenship database maintenance, and records.

Education, Language and Culture Programs – This mandate provides training funds to post secondary students and to TTC Citizens. The department also supports activities for kindergarten to grade 12, which include the shuttle bus and various student allowances. The department also creates opportunities to celebrate and preserve Tlingit culture and Tlingit Language.

Heritage – The mandate of the department is to celebrate, preserve and facilitate opportunities for Citizens to enjoy their heritage. It also includes the care and development of the Teslin Tlingit Art, Archives and Heritage Collections and preserving the Land Based Heritage Resources, including historic sites, Ice Patch research, and other Chapter 13 responsibilities.

Health and Social Development – This department delivers programming in the Early Learning and Childcare Centre, home and community care, home support, temporary financial assistance, case management, and various health prevention programs. The Peacemaker Diversion program and the Elders monthly payments are also in this area.

Lands and Resources and Economic Development – The Lands and Resources department is responsible for implementing Chapter 17 out of the Teslin Tlingit Council Final Agreement. The department is also mandated to protect, manage, and enhance the air, land, water, fish and wildlife, and non-renewable resources within the Traditional Territory of the Teslin Tlingit people. Economic Development is also in the area.

Operations, Maintenance and Capital – This department's responsibilities touch every physical aspect of TTC. They include the care and maintenance of TTC infrastructure government buildings, rental units and citizen housing. The department is also responsible for the construction and overseeing of new facilities and housing project.

Justice Department – The establishment and operation of an independent judiciary from the Teslin Tlingit government is a fundamental part of Teslin Tlingit governance and self-determination. The Teslin Tlingit justice system is based on Tlingit principles and values as expressed in the Teslin Tlingit Constitution, this Act and the Teslin Tlingit Administration of Justice Agreements.

General Fund – This includes the consolidated revenue fund.

TTC Trusts and Businesses – This includes all investments in the TTC Trust, Deslin Development Corporation, Yukon Inn, Yukon First Nation Implementation Trust Fund, Yukon Indian Development Corporation, and TTC Business Trust.

Certain allocation methodologies are employed in the preparation of segmented financial information. Certain government grants, transfers and other revenues have been apportioned based on a percentage of budgeted expenses.

The accounting policies used in these segments below are consistent with those followed in the preparation of the consolidated financial statements as disclosed in Note 1.

TESLIN TLINGIT COUNCIL
Notes to Consolidated Financial Statements

Year ended March 31, 2015
(Unaudited)

14. Segmented information (continued):

	Governances Political & Negotiations	Governances Administration	Education, Language & Culture Programs	Heritage	Health and Social Development	Lands and resources & economic Development	Operations, maintenance and capital	Justice	General Funds	TTC Trusts & Businesses	Adjustments	2015 Total	2014 Total
Revenue:													
Financial Transfer Agreement (FTA)	\$ 1,951,917	\$ 2,176,557	\$ 851,271	\$ 55,000	\$ 1,064,211	\$ 893,222	\$ 1,914,133	\$ 461,220	\$ -	\$ -	\$ -	\$ 9,367,531	\$ 9,111,340
Department of Indian Affairs	137,761	56,371	31,532	-	790	319,932	-	-	-	-	-	546,386	955,179
Other Federal Government	-	-	-	-	260,941	13,140	114,281	-	-	-	-	388,362	491,881
Yukon Territorial Government	308,223	-	34,897	115,762	150,798	32,226	-	-	-	-	-	641,906	822,414
Aboriginal Organizations	54,938	799	187,151	11,604	33,218	1,913	-	-	-	-	-	289,623	362,511
Investment Income	-	98,815	-	-	-	-	-	-	18	1,369,481	(29,589)	1,438,725	1,939,778
Property income	-	-	-	-	-	-	-	-	-	1,533,094	(336,488)	1,196,606	1,185,672
Taxation and Royalty revenues	-	-	-	-	-	-	-	-	1,146,657	-	-	1,146,657	1,374,853
Other Revenues	60,640	65,000	12,232	87,649	60,242	250	498,828	-	55,087	1,563,273	(236,005)	2,167,196	2,655,441
	2,513,479	2,397,542	1,117,083	270,015	1,570,200	1,260,683	2,527,242	461,220	1,201,762	4,465,848	(602,082)	17,182,992	18,899,069
Expenses:													
Amortization	\$ -	\$ 74,578	\$ -	\$ -	\$ -	\$ -	\$ 517,701	\$ -	\$ -	\$ 116,377	\$ -	\$ 708,656	\$ 623,734
Construction and renovations	-	-	-	8,589	-	26,840	97,439	-	-	-	-	132,868	214,829
Interest, taxes and insurance	2,571	66,643	7,947	9,926	36,090	9,524	631,057	-	-	67,346	(265,593)	565,511	517,606
Office expenses	99,320	150,333	28,728	116,110	65,908	77,181	48,062	76,251	-	49,112	(12,000)	699,005	776,960
Operations and maintenance	2,062	2,870	-	4,535	4,537	4,625	607,915	-	-	43,826	-	670,370	611,709
Professional services	816,913	461,345	43,241	59,180	7,640	402,738	190,922	50,006	-	441,726	(322,432)	2,151,279	2,498,408
Programming	33,481	7,958	31,159	43,563	530,555	23,207	980	650	15,240	6,814	-	693,607	876,658
Salaries and benefits	1,223,692	1,609,353	551,712	581,746	1,201,163	711,518	994,229	217,374	-	416,440	(14,057)	7,493,170	6,249,683
Training and allowances	10,339	115,933	509,347	1,389	-	-	1,125	3,222	-	5,927	-	647,282	776,311
Travel and committee cost	587,427	29,718	37,489	38,633	89,565	56,842	44,293	94,861	-	78,640	-	1,057,468	810,519
Recovery of expenses	-	(199,487)	-	-	(25,691)	-	(55,352)	-	-	-	12,000	(268,530)	(479,152)
	2,775,805	2,319,244	1,209,623	863,671	1,909,767	1,312,475	3,078,371	442,364	15,240	1,226,208	(602,082)	14,550,686	13,477,265
Annual Surplus (deficit)	\$ (262,326)	\$ 78,298	\$ (92,540)	\$ (593,656)	\$ (339,567)	\$ (51,792)	\$ (551,129)	\$ 18,856	\$ 1,186,522	\$ 3,239,640	\$ -	\$ 2,632,306	\$ 5,421,804

TESLIN TLINGIT COUNCIL

 Consolidated Revenue, Expenses and Surplus
 Indian and Northern Affairs, Canada Funding Agreements

Schedule 1

 Year ended March 31, 2015
 (Unaudited)

	Equipment Replacement	Youth Department	Negotiations	Brooks Brook Remediation	Records Management	Education Support Workers	Skills Link	Capacity Development	2015	2014
Revenue:										
Financial Transfer Agreement (FTA)	\$ 17,975	\$ -	\$ -	\$ -	\$ 102,063	\$ 215,391	\$ -	\$ -	\$ 335,429	\$ 96,246
Department of Indian Affairs	50,000	21,000	116,761	319,931	6,371	3,323	28,209	-	545,595	955,180
Other Federal Government	-	-	-	-	-	-	-	-	-	-
Yukon Territorial Government	-	20,000	-	-	-	-	-	-	20,000	-
Aboriginal Organizations	-	30,000	-	-	-	560	-	-	30,560	9,421
Investment Income	98,815	-	-	-	-	-	-	-	98,815	-
Property income	-	-	-	-	-	-	-	-	-	-
Other Revenue	-	20,000	-	-	-	-	-	8,547	28,547	-
	166,790	91,000	116,761	319,931	108,434	219,274	28,209	8,547	1,058,946	1,060,847
Expenses:										
Construction and renovations	-	-	-	26,840	-	272	-	-	27,112	98,542
Office expenses	1,119	19,987	20,913	54,885	380	3,092	2,565	-	102,941	106,930
Operations and maintenance	-	1,312	-	4,625	-	-	-	-	5,937	4,236
Professional services	-	23,254	21,827	185,024	43,880	-	20	-	274,005	622,242
Programming	-	-	-	-	-	1,454	-	-	1,454	-
Salaries and benefits	-	16,424	94,055	44,514	72,180	185,854	33,619	18,992	465,638	183,324
Amortization	28,967	-	-	-	-	25,233	-	-	54,200	-
Training and allowances	-	-	-	-	-	10,133	-	-	10,133	-
Travel and committee cost	-	30,667	1,222	4,043	-	-	-	-	35,932	11,963
	30,086	91,644	138,017	319,931	116,440	226,038	36,204	18,992	977,352	1,027,237
Net operating activities	136,704	(644)	(21,256)	-	(8,006)	(6,764)	(7,995)	(10,445)	81,594	33,610
Transfers between programs	74,389	-	-	-	-	6,764	7,995	10,445	99,593	11,100
Transfer (to) from Reserves	28,087	-	-	-	-	-	-	-	28,087	-
Purchase of Tangible capital assets	(239,088)	-	-	-	-	-	-	-	(239,088)	-
Surplus (deficit), for the year	92	(644)	(21,256)	-	(8,006)	-	-	-	(29,814)	44,710
Surplus, beginning of year	-	-	21,256	-	-	-	-	-	21,256	-
Surplus (deficit), end of year	\$ 92	\$ (644)	\$ -	\$ -	\$ (8,006)	\$ -	\$ -	\$ -	\$ (8,558)	\$ 44,710

TESLIN TLINGIT COUNCILConsolidated Revenue, Expenses and Surplus
Other Federal Governments Funding Agreements

Schedule 2

Year ended March 31, 2015
(Unaudited)

	Fisheries	CMHC Rental Programs	Aboriginal Headstart	Pre-natal Programs	Indian Residential School Funding	2015	2014
Revenue:							
Financial Transfer Agreement (FTA)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	7,680
Department of Indian Affairs	-	-	-	-	-	-	-
Other Federal Government	13,140	114,281	125,000	39,000	22,400	313,821	389,934
Yukon Territorial Government	-	-	-	-	-	-	-
Aboriginal Organizations	-	-	-	-	-	-	-
Investment Income	-	-	-	-	-	-	-
Taxation and Royalty revenues	-	-	-	-	-	-	-
Other Revenue	-	115,771	-	-	-	115,771	120,668
	13,140	230,052	125,000	39,000	22,400	429,592	518,282
Expenses:							
Construction and renovations	-	3,811	-	-	-	3,811	30,500
Interest, taxes and insurance	-	85,488	-	-	-	85,488	86,285
Office expenses	2,616	22,308	21,000	6,998	-	52,922	63,909
Operations and maintenance	-	31,575	3,500	800	-	35,875	32,494
Professional services	10,027	8,495	-	-	-	18,522	75,549
Programming	-	-	-	-	-	-	-
Salaries and benefits	-	53,245	98,000	31,098	22,182	204,525	178,239
Training and allowances	-	-	-	-	-	-	-
Travel and committee cost	497	-	2,500	104	218	3,319	10,485
Amortization	-	105,992	-	-	-	105,992	-
Recovery of expenses	-	-	-	-	-	-	-
	13,140	310,914	125,000	39,000	22,400	510,454	477,461
Net operating activities	-	(80,862)	-	-	-	(80,862)	40,821
Transfers between programs	-	80,862	-	-	-	80,862	65,228
Transfer (to) from Reserves	-	-	-	-	-	-	-
Purchase of Tangible capital assets	-	-	-	-	-	-	-
Surplus (deficit), for the year	-	-	-	-	-	-	106,049
Surplus (deficit), beginning of year	-	-	-	-	-	-	-
Surplus (deficit), end of year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	106,049

TESLIN TLINGIT COUNCIL
 Consolidated Revenue, Expenses and Surplus
 Yukon Territorial Government Funding Agreements

Schedule 3

Year ended March 31, 2015
 (Unaudited)

	Gas Tax Projects	Economic Development	Diversion program	Daycare	Fire smart program	Elder in the School	Education Shuttle bus	Language Revitalization Project	Restoration of Freddy & Nina House	Heritage Centre Coordination	Temporary	2015	2014
Revenue:													
Financial Transfer Agreement (FTA)	\$ -	\$ 103,350	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 250,000	\$ 353,350	\$ 1,095,971
Department of Indian Affairs	-	-	-	-	-	-	-	-	-	-	790	790	-
Other Federal Government	-	-	72,216	-	-	-	-	-	-	-	-	72,216	77,997
Yukon Territorial Government	287,070	12,080	60,000	76,039	20,000	10,000	5,772	19,125	7,000	108,562	14,085	619,733	747,859
Aboriginal Organizations	-	-	-	30,721	-	-	-	-	-	-	1,255	31,976	23,961
Investment Income	-	-	-	-	-	-	-	-	-	-	-	-	-
Property income	-	-	-	-	-	-	-	-	-	-	-	-	-
Taxation and Royalty revenues	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Revenue	40,640	-	-	52,749	-	-	3,686	-	-	193	-	97,268	80,357
	327,710	115,430	132,216	159,509	20,000	10,000	9,458	19,125	7,000	108,755	266,130	1,175,333	2,026,145
Expenses:													
Construction and renovations	-	-	-	-	-	-	-	-	342	-	-	342	17,677
Interest, taxes and insurance	-	9,524	-	1,000	-	-	-	-	5,000	1,266	25,807	42,597	1,817
Office expenses	-	296	12,222	6,839	-	-	567	-	664	34,438	-	55,026	126,534
Operations and maintenance	-	-	-	-	-	-	-	-	35	-	-	35	515
Professional services	78,254	158,997	-	-	20,000	-	-	35,695	10,146	-	-	303,092	354,075
Programming	1,143	-	-	-	-	-	-	-	-	-	265,930	267,073	477,937
Salaries and benefits	-	2,132	115,897	208,143	-	53,393	28,644	-	2,574	224,979	944	636,706	1,056,369
Training and allowances	-	-	-	-	-	-	-	-	-	1,389	-	1,389	-
Travel and committee cost	1,882	935	4,097	-	-	-	2,848	21	1,629	4,953	-	16,365	78,724
Recovery of expenses	-	-	-	(19,252)	-	-	-	-	-	-	-	(19,252)	-
	81,279	171,884	132,216	196,730	20,000	53,393	32,059	35,716	20,390	267,025	292,681	1,303,373	2,113,648
Net operating activities	246,431	(56,454)	-	(37,221)	-	(43,393)	(22,601)	(16,591)	(13,390)	(158,270)	(26,551)	(128,040)	(87,503)
Transfers between programs	-	150,000	-	-	-	33,329	-	16,591	-	1,635	-	201,555	581,807
Transfer (to) from Reserves	(246,431)	(150,000)	-	130,094	-	10,064	22,710	-	10,000	156,635	-	(66,928)	(426,259)
Purchase of Tangible capital assets	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus (deficit), for the year	-	(56,454)	-	92,873	-	-	109	-	(3,390)	-	(26,551)	6,587	68,045
Surplus, beginning of year	-	-	-	-	-	-	-	-	34,693	-	-	34,693	-
Surplus (deficit), end of year	\$ -	\$ (56,454)	\$ -	\$ 92,873	\$ -	\$ -	\$ 109	\$ -	\$ 31,303	\$ -	\$ (26,551)	\$ 41,280	\$ 68,045

TESLIN TLINGIT COUNCIL
Consolidated Revenue, Expenses and Surplus
Miscellaneous Funding Agreements

Schedule 4

Year ended March 31, 2015
(Unaudited)

	Land titles Legal work	Beaver Camp	Communications Department	Assets Program	2015	2014
Revenue:						
Financial Transfer Agreement (FTA)	\$ 240,000	\$ -	\$ 108,236	\$ -	\$ 348,236	\$ -
Department of Indian Affairs	-	-	-	-	-	-
Other Federal Government	-	-	-	-	-	-
Yukon Territorial Government	-	-	-	-	-	73,555
Aboriginal Organizations	15,310	7,700	3,435	186,131	212,576	311,108
Investment Income	-	-	-	-	-	-
Property income	-	-	-	-	-	-
Other Revenue	-	-	-	-	-	27,153
	\$ 255,310	\$ 7,700	\$ 111,671	\$ 186,131	\$ -560,812	\$ 411,816
Expenses:						
Interest Mortgage	-	-	-	-	-	7,460
Office expenses	-	4,399	3,442	15,296	23,137	23,683
Operations and maintenance	-	4,500	-	-	4,500	-
Professional services	325,586	-	19,680	-	345,266	250,950
Programming	-	-	-	-	-	10,000
Salaries and benefits	-	7,054	109,751	40,000	156,805	262,188
Training and allowances	8,323	-	-	141,778	150,101	188,662
Travel and committee cost	-	2,030	2,194	1,347	5,571	1,144
	333,909	17,983	135,067	198,421	685,380	744,087
Net operating activities	(78,599)	(10,283)	(23,396)	(12,290)	(124,568)	(332,271)
Transfers between programs	-	10,283	-	12,290	22,573	23,446
Transfer (to) from Reserves	-	-	-	-	-	110,559
Surplus (deficit), for the year	(78,599)	-	(23,396)	-	(101,995)	(198,266)
Surplus, beginning of year	-	-	-	-	-	-
Surplus (deficit), end of year	\$ (78,599)	\$ -	\$ (23,396)	\$ -	\$ (101,995)	\$ (198,266)