

Consolidated Financial Statements of

**TESLIN TLINGIT COUNCIL**

Year ended March 31, 2016

(Unaudited)

# TESLIN TLINGIT COUNCIL

Consolidated Financial Statements

Year Ended March 31, 2016

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# TESLIN TLINGIT COUNCIL

## Consolidated Statement of Financial Position

Year ended March 31, 2016, with comparative information for 2015  
(Unaudited)

	2016	2015
		(recast - note 2)
<b>FINANCIAL ASSETS</b>		
Cash and cash equivalents	\$ 1,869,105	\$ 7,063,518
Restricted cash and cash equivalents (note 3)	148,082	172,904
Investments	24,810,435	16,591,905
Grants and other amounts receivable (note 4)	588,429	876,847
Business investments and receivables from related parties	25,174,603	24,599,606
	<u>52,590,654</u>	<u>49,304,780</u>
<b>LIABILITIES</b>		
Bank indebtedness	859,755	-
Accounts payable and accrued liabilities	2,403,271	1,993,579
Deferred revenue (note 5)	237,834	520,105
CMHC Reserves	148,082	172,904
Debt (note 6)	1,835,090	2,101,237
Due to related party	395,000	-
	<u>5,879,032</u>	<u>4,787,825</u>
Net financial assets	<u>\$ 46,711,622</u>	<u>\$ 44,516,955</u>
<b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets (note 7)	\$ 12,909,313	\$ 13,219,445
Inventories of supplies	45,820	41,711
Prepaid expenses	19,798	32,854
	<u>12,974,931</u>	<u>13,294,010</u>
Contingent liabilities and obligations (note 9)		
Accumulated surplus (note 8)	<u>\$ 59,686,553</u>	<u>\$ 57,810,965</u>

See accompanying notes to unaudited consolidated financial statements.

On behalf of the Council:

  
Executive

  
Executive

# TESLIN TLINGIT COUNCIL

## Consolidated Statement of Operations

Year ended March 31, 2016, with comparative information for 2015  
(Unaudited)

	Budget (note 1(c))	2016	2015
<b>Revenue:</b>			
Financial Transfer Agreement (FTA)	\$ 9,464,367	\$ 9,479,615	\$ 9,367,531
Department of Indigenous Affairs	205,043	1,440,085	546,386
Other Federal Government	823,100	485,015	388,362
Yukon Territorial Government	311,736	523,501	641,906
Aboriginal organizations	217,463	347,943	289,623
Investment income	1,222,375	2,190,288	1,438,725
Business income	10,500	1,684,785	1,196,606
Taxation and royalty revenues	1,261,956	1,203,341	1,146,657
Other revenue	588,612	788,393	2,167,196
	14,105,152	18,142,966	17,182,992
<b>Expenses:</b>			
Governance: Political and negotiations	2,270,964	2,944,412	2,775,805
Governance: Administration	2,403,950	2,402,837	2,319,244
Education, Language and Culture Programs	1,228,405	1,108,026	1,209,623
Heritage and Arts	904,496	971,288	863,671
Health and Social Development	1,938,496	2,104,918	1,909,767
Lands and Resources and Economic Development	948,773	1,823,534	1,312,475
Operations, Maintenance and Capital	4,071,515	3,187,652	3,078,371
Justice	480,111	409,117	442,364
General Funds	-	616,588	15,240
Investment in Trusts and Business	899,590	699,006	624,126
	15,146,300	16,267,378	14,550,686
Annual surplus (deficit)	(1,041,148)	1,875,588	2,632,306
Accumulated surplus, beginning of year	57,810,965	57,810,965	55,178,659
Accumulated surplus, end of year	\$ 56,769,817	\$ 59,686,553	\$ 57,810,965

See accompanying notes to unaudited consolidated financial statements.

# TESLIN TLINGIT COUNCIL

## Consolidated Statement of Changes in Net Financial Assets

Year ended March 31, 2016, with comparative information for 2015  
(Unaudited)

	Budget (note 1(c))	2016	2015
Annual surplus (deficit)	\$ (1,041,148)	\$ 1,875,588	\$ 2,632,306
Net acquisition of tangible capital assets	-	(442,294)	(1,161,090)
Amortization of tangible capital assets	-	752,426	708,656
Net change in inventories of supplies	-	(4,109)	11,847
Net change in prepaids	-	13,056	(26,549)
Increase (decrease) in net financial assets	(1,041,148)	2,194,667	2,165,170
Net financial assets, beginning of year	44,516,955	44,516,955	42,351,785
Net financial assets, end of year	\$ 43,475,807	\$ 46,711,622	\$ 44,516,955

See accompanying notes to unaudited consolidated financial statements.

# TESLIN TLINGIT COUNCIL

## Consolidated Statement of Changes in Cash Flows

Year ended March 31, 2016, with comparative information for 2015  
(Unaudited)

	2016	2015
		(recast - note 2)
Operating activities:		
Annual surplus	\$ 1,875,588	\$ 2,632,306
Non-cash items included in annual surplus		
Amortization	752,426	708,656
Gain on sale of investment	(1,955,824)	(790,639)
Business income	(1,684,785)	(1,196,606)
	(1,012,595)	1,353,717
Changes in non-cash working capital:		
Grants and other receivables	288,418	(183,951)
Accounts payable and accrued liabilities	409,692	(150,292)
Deferred revenue	(282,271)	237,338
CMHC Reserves	(24,822)	26,081
Inventories of supplies	(4,109)	11,847
Prepaid expenses	13,056	(26,549)
	(612,631)	1,268,191
Investing activities:		
Net acquisition of tangible capital assets	(442,294)	(1,161,090)
Increase (decrease) in business investments and receivables from related parties	1,109,788	(1,575,029)
Acquisition of investments	(10,226,095)	(4,980,499)
Proceeds on sale of investments	3,963,389	6,466,006
Decrease (increase) in restricted cash and cash equivalents	24,822	(26,081)
	(5,570,390)	(1,276,693)
Financing activities		
Increase in bank indebtedness	859,755	-
Due to related party	395,000	-
Proceeds of debt issued	-	158,818
Principal payment on debt	(266,147)	(105,993)
	988,608	52,825
Increase (decrease) in cash and cash equivalents	(5,194,413)	44,323
Cash and cash equivalents, beginning of year	7,063,518	7,019,195
Cash and cash equivalents, end of year	\$ 1,869,105	\$ 7,063,518

See accompanying notes to unaudited consolidated financial statement

# TESLIN TLINGIT COUNCIL

## Notes to Consolidated Financial Statements

Year ended March 31, 2016  
(Unaudited)

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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, 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 March 11, 2015.

(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, 2016

(Unaudited)

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## 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:

Asset	Useful life
Buildings	15-30 years
Roads	20-30 years
Building betterments	10 years
Equipment, vehicles and other assets	5-10 years
Land treatment facility	25 years

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) Settlement lands:

Settlement lands to which no acquisition cost is attributable are not recognized in these financial statements.

(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, 2016  
(Unaudited)

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## 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 16.

(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, 2016

(Unaudited)

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## 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. Recast of comparative figures:

During the year, TTC has determined that an immaterial adjustment was required to correct the classification of certain financial instruments in its comparative figures.

Premium interest savings accounts were reclassified from Investments to Cash and Equivalents. This reclassification resulted in Cash and Cash Equivalents balance of \$7,063,518 as at March 31, 2015 (April 1, 2014 - \$7,019,195).

## 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:

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	2016	2015
Due from First Nations Citizens	\$ 339,833	\$ 447,871
Less allowance for doubtful accounts	(272,051)	(357,966)
Net receivable from citizens	67,782	89,905
Goods and Services Tax receivable	235,358	219,219
Grants and interest receivable	285,289	567,723
	<hr/> \$ 588,429	<hr/> \$ 876,847

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# TESLIN TLINGIT COUNCIL

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2016  
(Unaudited)

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## 5. Deferred revenue:

	2016	2015
Canada Revenue Agency - Goods and Services Tax	\$ -	\$ 33,913
Canada Revenue Agency - Personal Income Tax	-	213,447
Yukon Government - School lease	54,747	53,500
INAC - Negotiations	-	84,262
TTC Daycare - prepaid April 2015	1,710	12,252
TTC tenants - prepaid rental income for April 2015	11,009	2,501
TTC 380 renovations	38,087	-
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	2,500
Yukon Government - Daycare Direct Operating Grant	-	8,276
Village of Teslin - Road Project	-	12,000
Village of Teslin - Lift Station	76,090	-
CanNor - Deferred Capital Land Treatment Facility	53,691	72,784
	\$ 237,834	\$ 520,105

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# TESLIN TLINGIT COUNCIL

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2016

(Unaudited)

## 6. Debt:

	2016	2015
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.	\$ 285,121	\$ 306,469
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.	363,596	380,754
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.	67,877	71,080
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.	226,179	236,852
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.	386,082	400,217
Project #006 - Interest at 1.39% with monthly payments of principal and interest of \$1,089. Renewal August 1, 2017 due August 1, 2037.	242,334	251,980
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.	263,901	272,700
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. The debt was repaid on February 1, 2016.	-	22,367
Dana Naye Ventures:		
Loan for Land Treatment Facility. Interest at 8.75% with monthly payments of principal and interest of \$2,306. The debt was repaid on February 22, 2016.	-	158,818
	\$ 1,835,090	\$ 2,101,237

# TESLIN TLINGIT COUNCIL

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2016  
(Unaudited)

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## 6. Debt (continued):

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

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2017	\$	86,156
2018		87,612
2019		89,097
2020		90,611
2021		92,155
Thereafter		1,389,459
	\$	1,835,090

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# TESLIN TLINGIT COUNCIL

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2016

(Unaudited)

## 7. Tangible capital assets:

	Cost				Balance, end of year	Accumulated amortization					2016 Net book value	2015 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	\$ 353,055	\$ -	\$ -	\$ -	\$ 353,055	\$ 330,690	\$ 22,365	\$ -	\$ -	\$ 353,055	\$ -	\$ 22,365
Houses under CMHC Post 1996	2,309,780	-	-	-	2,309,780	389,725	84,964	-	-	474,689	1,835,091	1,920,055
TTC Equity	1,819,319	179,917	-	-	1,999,236	289,015	52,673	-	-	341,688	1,657,548	1,530,304
TTC Houses	2,572,314	-	-	-	2,572,314	2,189,335	37,372	-	-	2,226,707	345,607	382,979
Buildings	5,816,655	22,949	-	-	5,839,604	3,219,882	209,701	-	-	3,429,583	2,410,021	2,596,773
Roads	1,613,380	-	-	-	1,613,380	235,476	31,680	-	-	267,156	1,346,224	1,377,904
Equipment & vehicles	2,630,795	104,149	-	-	2,734,944	1,990,889	180,795	-	-	2,171,684	563,260	639,906
Trust Land	2,555,033	-	-	-	2,555,033	-	-	-	-	-	2,555,033	2,555,033
Trust Other Assets	253,597	-	-	-	253,597	188,337	7,386	-	-	195,723	57,874	65,260
Heritage Centre	3,441,309	-	-	-	3,441,309	1,636,649	114,710	-	-	1,751,359	1,689,950	1,804,660
Land Treatment Facility	334,839	135,279	(1,047)	-	469,071	10,633	10,780	(1,047)	-	20,366	448,705	324,206
<b>Total</b>	<b>\$23,700,076</b>	<b>\$ 442,294</b>	<b>\$ (1,047)</b>	<b>\$ -</b>	<b>\$ 24,141,323</b>	<b>\$ 10,480,631</b>	<b>\$ 752,426</b>	<b>\$ (1,047)</b>	<b>\$ -</b>	<b>\$ 11,232,010</b>	<b>\$ 12,909,313</b>	<b>\$ 13,219,445</b>

# TESLIN TLINGIT COUNCIL

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2016  
(Unaudited)

## 8. Accumulated surplus:

	March 31, 2015	Annual surplus	Interfund transfers	March 31, 2016
Government activities	\$ 291,492	\$ (179,951)	\$ 375,563	\$ 487,104
Investment in trusts & businesses	41,661,914	2,807,965	(847,863)	43,622,016
Reserve for own source offsets	1,059,879	-	25,088	1,084,967
Reserve for equipment replacement	100,880	-	72,593	173,473
Reserve for capital construction	826,644	-	(16,545)	810,099
Reserve for Justice	1,062,682	-	-	1,062,682
Operating reserve	951,207	-	(187,703)	763,504
Reserve for insurance	332,507	-	(146,172)	186,335
Reserve for Clan Empowerment	43,754	-	8,745	52,499
Reserve for School Lease	320,088	-	3,744	323,832
Capital equity	11,118,208	(752,426)	708,441	11,074,223
Other equity	41,710	-	4,109	45,819
	<u>\$ 57,810,965</u>	<u>\$ 1,875,588</u>	<u>\$ -</u>	<u>\$ 59,686,553</u>

# TESLIN TLINGIT COUNCIL

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2016  
(Unaudited)

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## 9. Contingent liabilities and obligations:

### (a) Guarantees:

TTC has guaranteed mortgages of certain First Nations' citizens totaling \$8,775 at March 31, 2016 (March 31, 2015 - \$15,832). Management does not expect any liabilities to TTC as a result of these guarantees and therefore no amounts have been recorded in the consolidated financial statements.

### (b) Settlement lands:

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.

### (c) Cash distribution:

During 2016, members of TTC approved a cash distribution of \$1,000 to every TTC citizen over the age of 18. Amounts were distributed and recorded in the statement of operations for the year ended March 31, 2016.

As part of the distribution, TTC committed to distribute \$1,000 to each eligible TTC citizen under the age of 18 upon their 18<sup>th</sup> birthday. A liability has not been recorded for these distributions at year end as TTC is currently in the process of determining eligibility requirements.



# TESLIN TLINGIT COUNCIL

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2016  
(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 the year ended March 31, 2016 is \$257,865 (2015 - 267,515).
- (b) TTC provides sick leave benefits to its employees. An actuarial valuation for these benefits was performed to determine TTC’s accrued benefit obligation as at March 31, 2016. The difference between the actuarially determined accrued benefits obligation of \$213,900 (2015 - \$200,600) and the liability of \$186,616 (\$156,771) as at March 31, 2016 is an unamortized net actuarial loss of \$27,284 (2015 - \$43,829). This actuarial loss is being amortized over a period equal to the employees’ average remaining service of 10 years. The liability is included in the accounts payable and accrued liabilities.

	2016	2015
Accrued benefit obligation:		
Balance, beginning of year	\$ 200,600	\$ 156,500
Current service cost	29,400	25,300
Interest cost	6,100	6,800
Benefits paid	(10,355)	(7,856)
Actuarial loss (gain)	(11,845)	19,856
Accrued benefit obligation, end of year	\$ 213,900	\$ 200,600

	2016	2015
Accrued benefit liability, end of year	\$ 186,616	\$ 156,771
Unamortized actuarial loss	27,284	43,829
Accrued benefit obligation, end of year	\$ 213,900	\$ 200,600

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

	2016	2015
Discount rate	3.20%	2.70%
Expected future inflation rate	2.50%	2.50%
Expected wage and salary range increases	3.00%	3.00%

# TESLIN TLINGIT COUNCIL

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2016  
(Unaudited)

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## 11. Financial Transfer Agreement (“FTA”):

The existing self-government FTA between the Government of Canada (“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 year or for such period as may be agreed by Canada and TTC.

## 12. Comparative figures:

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

## 13. 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:

- (a) Governance: Political and Negotiations - The Governance function includes overseeing all of TTC departments and operations. It includes intergovernmental relations, negotiations, citizenship database management, citizenship committee coordination, 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.
- (b) Governance: Administration - This function includes reception, accounting, human resource management, staff training, equipment replacement reserve, materials management, information technology, and records.
- (c) 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.
- (d) Heritage and Arts - 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.

# TESLIN TLINGIT COUNCIL

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2016  
(Unaudited)

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## 16. Segmented information (continued):

- (e) 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.
- (f) 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 and overseen by Executive services.
- (g) Operations, Maintenance and Capital - This department's responsibilities touch every physical aspect of TTC. They include the care and maintenance of TTC infrastructure including government buildings, rental units and citizen housing. The department is also responsible for the construction and overseeing of new facilities and housing project.
- (h) Justice - 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.
- (i) General Funds – This includes the consolidated revenue fund.
- (j) Investment in 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 (continued)

Year ended March 31, 2016  
(Unaudited)

## 16. Segmented information (continued):

	Governance: Political and Negotiations	Governance: Administration	Education, Language and Culture Programs	Heritage and Arts	Health and Social Development	Lands and Resources and Economic Development	Operations, Maintenance and Capital	Justice	General Funds	Investment in Trusts and Businesses	Adjustments	2016 Total	2015 Total
<b>Revenue:</b>													
Financial Transfer Agreement (FTA)	\$ 2,024,699	\$ 2,187,009	\$ 909,275	\$ 72,737	\$ 1,024,709	\$ 939,173	\$ 1,805,795	\$ 480,111	\$ 36,107	\$ -	\$ -	\$ 9,479,615	\$ 9,367,531
Department of Indigenous Affairs	354,767	44,389	35,376	-	67,704	836,690	92,675	8,484	-	-	-	1,440,085	546,386
Other Federal Government	-	-	5,755	13,600	262,228	43,146	160,286	-	-	-	-	485,015	388,362
Yukon Territorial Government	97,239	9,289	18,257	145,289	133,294	42,319	77,814	-	-	-	-	523,501	641,906
Aboriginal organizations	13,788	1,893	197,045	8,700	63,625	21,967	3,010	-	37,915	-	-	347,943	289,623
Investment income	-	112,593	-	-	-	-	-	-	-	2,090,134	(12,439)	2,190,288	1,438,725
Business income	-	-	-	-	-	-	-	-	-	1,858,922	(174,137)	1,684,785	1,196,606
Taxation and royalty revenues	-	-	-	-	-	-	-	-	1,203,341	-	-	1,203,341	1,146,657
Other revenues	9,755	-	4,753	163,973	78,423	-	507,042	-	14,446	311,309	(301,308)	788,393	2,167,196
	2,500,248	2,355,173	1,170,461	404,299	1,629,983	1,883,295	2,646,622	488,595	1,291,809	4,260,365	(487,884)	18,142,966	17,182,992
<b>Expenses:</b>													
Amortization	-	101,450	-	-	-	-	514,112	-	-	136,864	-	752,426	708,656
Citizens distribution	-	-	-	-	-	-	-	-	601,000	-	-	601,000	-
Construction and renovations	-	-	-	1,846	-	16,594	250,180	-	-	13,586	(21,425)	260,781	132,868
Interest, taxes and insurance	2,734	79,465	3,028	5,865	1,427	1,843	649,095	-	-	98,231	(313,747)	527,941	565,511
Office expenses	69,785	174,694	23,583	133,896	96,139	119,751	44,657	77,653	-	111,001	(12,000)	839,159	699,005
Operations and maintenance	-	-	-	101,923	4,300	424,226	593,689	-	-	26,875	(348,188)	802,825	670,370
Professional services	825,560	391,718	3,043	113,455	2,599	491,210	139,976	8,273	-	477,597	(25,000)	2,428,431	2,151,279
Programming	99,884	6,957	8,912	48,872	576,594	19,731	24,617	-	15,588	3,790	(10,324)	794,621	693,607
Salaries and benefits	1,457,402	1,746,156	541,380	518,343	1,318,161	697,273	971,586	253,810	-	488,505	-	7,992,616	7,493,170
Training and allowances	-	128,937	519,716	-	21,452	-	4,153	1,000	-	1,103	(5,788)	670,573	647,282
Travel and committee cost	489,047	39,356	22,245	59,295	114,551	52,906	49,069	68,381	-	94,848	-	989,698	1,057,468
Recovery of expenses	-	(265,896)	(13,881)	(12,207)	(30,305)	-	(53,482)	-	-	-	(16,922)	(392,693)	(268,530)
	2,944,412	2,402,837	1,108,026	971,288	2,104,918	1,823,534	3,187,652	409,117	616,588	1,452,400	(753,394)	16,267,378	14,550,686
<b>Annual surplus (deficit)</b>	<b>\$ (444,164)</b>	<b>\$ (47,664)</b>	<b>\$ 62,435</b>	<b>\$ (566,989)</b>	<b>\$ (474,935)</b>	<b>\$ 59,761</b>	<b>\$ (541,030)</b>	<b>\$ 79,478</b>	<b>\$ 675,221</b>	<b>\$ 2,807,965</b>	<b>\$ 265,510</b>	<b>\$ 1,875,588</b>	<b>\$ 2,632,306</b>

# TESLIN TLINGIT COUNCIL

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

Schedule 1

Year ended March 31, 2016  
(Unaudited)

	Bill- S-6	Negotiations	Hydropower Assessment	Brooks Brook Remediation	Capital Projects	Dayforce Module & Training	Records Management	Subtotal Carried Forward
<b>Revenue:</b>								
Financial Transfer Agreement (FTA)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 109,536	\$ 109,536
Department of Indigenous Affairs	5,778	289,014	59,975	836,689	92,675	40,000	4,389	1,328,520
Other Federal Government	-	-	-	-	-	-	-	-
Yukon Territorial Government	-	-	-	-	-	-	-	-
Aboriginal organizations	-	-	-	-	-	-	227	227
Investment income	-	-	-	-	-	-	-	-
Business income	-	-	-	-	-	-	-	-
Other revenues	-	-	-	-	-	-	-	-
Recovery of expenses	-	-	-	-	-	-	-	-
	5,778	289,014	59,975	836,689	92,675	40,000	114,152	1,438,283
<b>Expenses:</b>								
Amortization	-	-	-	-	-	-	-	-
Construction and renovations	-	-	-	16,594	19,680	-	-	36,274
Interest, taxes and insurance	-	-	-	-	-	-	976	976
Office expenses	-	21,039	-	89,646	985	-	394	112,064
Operations and maintenance	-	-	-	424,026	-	-	-	424,026
Professional services	94,922	40,300	62,642	241,856	72,010	32,588	42,577	586,895
Programming	-	-	-	-	-	-	-	-
Salaries and benefits	-	81,156	-	62,435	-	-	69,643	213,234
Training and allowances	-	-	-	-	-	9,017	-	9,017
Travel and committee cost	34	4,341	-	3,802	-	-	496	8,673
	94,956	146,836	62,642	838,359	92,675	41,605	114,086	1,391,159
Net operating activities	(89,178)	142,178	(2,667)	(1,670)	-	(1,605)	66	47,124
Transfers between programs	-	(142,178)	2,667	1,670	-	1,605	-	(136,236)
Transfer (to) from Reserves	-	-	-	-	-	-	-	-
Purchase of tangible capital assets	-	-	-	-	-	-	-	-
Surplus (deficit), for the year	\$ (89,178)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 66	\$ (89,112)

# TESLIN TLINGIT COUNCIL

Consolidated Revenue, Expenses and Surplus  
Indigenous and Northern Affairs, Canada Funding Agreements (continued)

Schedule 1  
(continued)

Year ended March 31, 2016  
(Unaudited)

	<i>Subtotal Brought Forward</i>	Secondary School Support	Youth Mentorship	Temporary Financial Assistance	Health Initiative Programs	Justice & Healing Our Spirit Conference	2016	2015
<b>Revenue:</b>								
Financial Transfer Agreement (FTA)	109,536	\$ -	\$ -	\$ 250,000	\$ -	\$ 430,295	\$ 789,831	\$ 335,429
Department of Indigenous Affairs	1,328,520	1,659	33,717	8,308	59,396	8,485	1,440,085	545,595
Other Federal Government	-	-	-	-	-	-	-	-
Yukon Territorial Government	-	-	-	12,058	-	-	12,058	20,000
Aboriginal organizations	227	-	-	5,964	-	-	6,191	30,560
Investment income	-	-	-	-	-	-	-	98,815
Business income	-	-	-	-	-	-	-	-
Other revenues	-	-	-	-	-	-	-	28,547
Recovery of expenses	-	-	-	14,456	-	-	14,456	-
	1,438,283	1,659	33,717	290,786	59,396	438,780	2,262,621	1,058,946
<b>Expenses:</b>								
Amortization	-	-	-	-	-	-	-	54,200
Construction and renovations	36,274	-	-	-	-	-	36,274	27,112
Interest, taxes and insurance	976	-	-	241	-	-	1,217	-
Office expenses	112,064	216	3,065	-	5,940	77,653	198,938	102,941
Operations and maintenance	424,026	-	-	-	-	-	424,026	5,937
Professional services	586,895	-	-	-	-	6,489	593,384	274,005
Programming	-	-	-	293,362	38,550	-	331,912	1,454
Salaries and benefits	213,234	-	30,652	15,204	13,240	251,975	524,305	465,638
Training and allowances	9,017	1,443	-	-	-	1,000	11,460	10,133
Travel and committee cost	8,673	-	-	-	1,666	16,269	26,608	35,932
	1,391,159	1,659	33,717	308,807	59,396	353,386	2,148,124	977,352
Net operating activities	47,124	-	-	(18,021)	-	85,394	114,497	81,594
Transfers between programs	(136,236)	-	-	-	-	-	(136,236)	99,593
Transfer (to) from Reserves	-	-	-	-	-	-	-	28,087
Purchase of tangible capital assets	-	-	-	-	-	-	-	(239,088)
	-	-	-	-	-	-	-	-
<b>Surplus (deficit), for the year</b>	<b>\$ (89,112)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (18,021)</b>	<b>\$ -</b>	<b>\$ 85,394</b>	<b>\$ (21,739)</b>	<b>\$ (29,814)</b>

# TESLIN TLINGIT COUNCIL

Consolidated Revenue, Expenses and Surplus  
Other Federal Governments Funding Agreements

Schedule 2

Year ended March 31, 2016  
(Unaudited)

	Geo-Mapping Energy & Minerals	Fisheries	Capital, Admin & CMHC Housing Internship	Canada Summer Jobs	Aboriginal Headstart	Pre-natural Programs	Indian Residential School Funding	2016	2015
<b>Revenue:</b>									
Financial Transfer Agreement (FTA) Department of Indigenous Affairs	\$ -	\$ -	\$ 68,847	\$ -	\$ -	\$ -	\$ -	\$ 68,847	\$ -
Other Federal Government	33,023	10,123	6,760	5,755	123,588	39,000	22,400	240,649	313,821
Yukon Territorial Government	-	-	-	-	-	-	-	-	-
Aboriginal organizations	-	-	-	-	-	-	-	-	-
Investment income	-	-	-	-	-	-	-	-	-
Taxation and royalty revenues	-	-	-	-	-	-	-	-	-
Other revenues	-	-	-	-	-	-	-	-	115,771
	33,023	10,123	75,607	5,755	123,588	39,000	22,400	309,496	429,592
<b>Expenses:</b>									
Amortization	-	-	-	-	-	-	-	-	105,992
Construction and renovations	-	-	-	-	-	-	-	-	3,811
Interest, taxes and insurance	-	-	130	-	-	-	-	130	85,488
Office expenses	4,911	3,374	3,888	-	28,828	8,544	-	49,545	52,922
Operations and maintenance	-	-	5,220	-	3,500	800	-	9,520	35,875
Professional services	28,112	6,309	60,355	-	-	-	-	94,776	18,522
Programming	-	-	300	-	-	-	-	300	-
Salaries and benefits	-	440	339,798	46,554	89,196	29,109	22,400	527,497	204,525
Training and allowances	-	-	4,153	-	-	-	-	4,153	-
Travel and committee cost	-	-	21,132	-	2,064	547	-	23,743	3,319
Recovery of expenses	-	-	(2,228)	-	-	-	-	(2,228)	-
	33,023	10,123	432,748	46,554	123,588	39,000	22,400	707,436	510,454
Net operating activities	-	-	(357,141)	(40,799)	-	-	-	(397,940)	(80,862)
Transfers between programs	(1,635)	-	(19,724)	40,727	-	-	-	19,368	80,862
Transfer (to) from Reserves	-	-	301,910	-	-	-	-	301,910	-
Purchase of tangible capital assets	-	-	-	-	-	-	-	-	-
Surplus (deficit), for the year	\$ (1,635)	\$ -	\$ (74,955)	\$ (72)	\$ -	\$ -	\$ -	\$ (76,662)	\$ -

# TESLIN TLINGIT COUNCIL

Consolidated Revenue, Expenses and Surplus  
Yukon Territorial Government Funding Agreements

Schedule 3

Year ended March 31, 2016  
(Unaudited)

	<i>Mining Matters Protocol</i>	Gas Tax Projects	Economic Development & Bioenergy Feasibility Project	Diversion Program	Girl Talk- YTG	Fire Smart Program	Heritage Reception Renovation	Daycare Playspace Repair	O&M - Teslin School	Subtotal Carried Forward
<b>Revenue:</b>										
Financial Transfer Agreement (FTA)	\$ -	\$ -	\$ 103,350	\$ -	\$ -	\$ -	\$ -	\$ 12,692	\$ -	\$ 116,042
Department of Indigenous Affairs	-	-	-	-	-	-	-	-	-	-
Other Federal Government	-	-	-	72,216	-	-	-	-	-	72,216
Yukon Territorial Government	31,818	48,255	11,320	60,000	6,000	25,000	20,000	1,813	56,000	260,206
Aboriginal organizations	-	-	-	-	-	-	-	-	-	-
Investment income	-	-	-	-	-	-	-	-	-	-
Business income	-	-	-	-	-	-	-	-	-	-
Taxation and royalty revenues	-	-	-	-	-	-	-	-	-	-
Other revenues	-	4,650	-	-	-	-	-	2,155	217,744	224,549
	31,818	52,905	114,670	132,216	6,000	25,000	20,000	16,660	273,744	673,013
<b>Expenses:</b>										
Amortization	-	-	-	-	-	-	-	-	125,000	125,000
Construction and renovations	-	-	-	-	-	-	22,642	8,708	56,000	87,350
Interest, taxes and insurance	-	-	1,824	-	-	-	-	2,686	-	4,510
Office expenses	-	5,230	-	10,909	1,554	-	5,998	-	-	23,691
Operations and maintenance	-	-	-	-	-	-	-	16,275	-	16,275
Professional services	31,030	49,304	124,133	-	3,453	25,000	-	-	-	232,920
Programming	-	-	-	-	500	-	-	-	-	500
Salaries and benefits	788	-	185	131,739	107	-	10,260	12,178	-	155,257
Training and allowances	-	-	-	-	-	-	-	-	-	-
Travel and committee cost	-	1,440	1,735	1,340	886	-	260	-	-	5,661
Recovery of expenses	-	-	-	-	-	-	-	(9,760)	-	(9,760)
	31,818	55,974	127,877	143,988	6,500	25,000	39,160	30,087	181,000	641,404
Net operating activities	-	(3,069)	(13,207)	(11,772)	(500)	-	(19,160)	(13,427)	92,744	31,609
Transfers between programs	-	2,645	11,190	-	-	-	19,160	-	(214,000)	(181,005)
Transfer (to) from Reserves	-	-	-	-	-	-	-	-	121,256	121,256
Purchase of tangible capital assets	-	-	-	-	-	-	-	-	-	-
Surplus (deficit), for the year	\$ -	\$ (424)	\$ (2,017)	\$ (11,772)	\$ (500)	\$ -	\$ -	\$ (13,427)	\$ -	\$ (28,140)



# TESLIN TLINGIT COUNCIL

Consolidated Revenue, Expenses and Surplus  
Yukon Territorial Government Funding Agreements (continued)

Schedule 3  
(continued)

Year ended March 31, 2016  
(Unaudited)

	<i>Subtotal Brought Forward</i>	Microsoft Skills 2014	Elder in the School	Restoration of Freddy and Nina House	Heritage Center Coordination	Inland Tlingit Celebration	Heritage Outfitters Camp	TTC Daycare	2016	2015
<b>Revenue:</b>										
Financial Transfer Agreement (FTA)	\$ 116,042	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 358	\$ 116,400	\$ 353,350
Department of Indigenous Affairs	-	-	-	-	-	-	-	-	-	790
Other Federal Government	72,216	-	-	-	-	13,600	-	-	85,816	72,216
Yukon Territorial Government	260,206	8,784	10,000	5,000	116,930	20,000	3,359	61,523	485,802	619,733
Aboriginal organizations	-	-	-	-	-	-	-	55,571	55,571	31,976
Investment income	-	-	-	-	-	-	-	-	-	-
Business income	-	-	-	-	-	-	-	-	-	-
Taxation and royalty revenues	-	-	-	-	-	-	-	-	-	-
Other revenues	224,549	-	-	-	-	76,086	-	78,057	378,692	97,268
	<b>673,013</b>	<b>8,784</b>	<b>10,000</b>	<b>5,000</b>	<b>116,930</b>	<b>109,686</b>	<b>3,359</b>	<b>195,509</b>	<b>1,122,281</b>	<b>1,175,333</b>
<b>Expenses:</b>										
Amortization	125,000	-	-	-	-	-	-	-	125,000	-
Construction and renovations	87,350	-	-	1,346	-	-	500	-	89,196	342
Interest, taxes and insurance	4,510	-	-	-	1,400	-	-	-	5,910	42,597
Office expenses	23,691	-	-	1,093	36,217	32,259	1,107	17,061	111,428	55,026
Operations and maintenance	16,275	-	-	35	-	34,054	-	-	50,364	35
Professional services	232,920	13,394	-	21,929	2,000	75,008	10,300	-	355,551	303,092
Programming	500	-	-	-	72	680	-	-	1,252	267,073
Salaries and benefits	155,257	-	55,284	2,721	232,719	31,109	3,676	263,234	744,000	636,706
Training and allowances	-	-	-	-	-	-	-	-	-	1,389
Travel and committee cost	5,661	-	-	1,826	8,810	25,653	1,189	-	43,139	16,365
Recovery of expenses	(9,760)	-	-	-	-	(12,207)	-	(3,268)	(25,235)	(19,252)
	<b>641,404</b>	<b>13,394</b>	<b>55,284</b>	<b>28,950</b>	<b>281,218</b>	<b>186,556</b>	<b>16,772</b>	<b>277,027</b>	<b>1,500,605</b>	<b>1,303,373</b>
Net operating activities	31,609	(4,610)	(45,284)	(23,950)	(164,288)	(76,870)	(13,413)	(81,518)	(378,324)	(128,040)
Transfers between programs	(181,005)	-	-	-	(19,160)	45,000	-	-	(155,165)	201,555
Transfer (to) from Reserves	121,256	-	10,000	6,300	165,891	65,000	-	81,474	449,921	(66,928)
Purchase of tangible capital assets	-	-	-	-	-	-	-	-	-	-
Surplus (deficit), for the year	\$ (28,140)	\$ (4,610)	\$ (35,284)	\$ (17,650)	\$ (17,557)	\$ 33,130	\$ (13,413)	\$ (44)	\$ (83,568)	\$ 6,587

# TESLIN TLINGIT COUNCIL

Consolidated Revenue, Expenses and Surplus  
Miscellaneous Funding Agreements

Schedule 4

Year ended March 31, 2016  
(Unaudited)

	Fisheries	ASETS Training Funds	Beaver Camp	2016	2015
<b>Revenue:</b>					
Financial Transfer Agreement (FTA)	\$ -	\$ -	\$ -	\$ -	348,236
Department of Indigenous Affairs	-	-	-	-	-
Other Federal Government	-	-	-	-	-
Yukon Territorial Government	-	-	-	-	-
Aboriginal organizations	19,295	186,742	8,700	214,737	212,576
Investment income	-	-	-	-	-
Business income	-	-	-	-	-
Other revenues	-	615	-	615	-
	19,295	187,357	8,700	215,352	560,812
<b>Expenses:</b>					
Interest mortgage	-	-	-	-	-
Office expenses	2,517	14,778	632	17,927	23,137
Operations and maintenance	-	-	-	-	4,500
Professional services	16,778	-	-	16,778	345,266
Programming	-	-	7,155	7,155	-
Salaries and benefits	-	40,000	13,202	53,202	156,805
Training and allowances	-	130,667	-	130,667	150,101
Travel and committee cost	-	1,912	841	2,753	5,571
	19,295	187,357	21,830	228,482	685,380
Net operating activities	-	-	(13,130)	(13,130)	(124,568)
Transfers between programs	-	-	-	-	22,573
Surplus (deficit), for the year	\$ -	\$ -	\$ (13,130)	\$ (13,130)	\$ (101,995)