

Tallcree First Nation
Consolidated Financial Statements
March 31, 2017

Tallcree First Nation Contents

For the year ended March 31, 2017

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Tallcree First Nation

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Management's Responsibility

To the Members of Tallcree First Nation:

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

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

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

The Tallcree First Nation Chief and Council are responsible for overseeing management in the performance of its financial reporting responsibilities, and for approving the consolidated financial statements. The Chief and Council fulfils these responsibilities by reviewing the financial information prepared by management and discussing relevant matters with management and external auditors. The Chief and Council are also responsible for recommending the appointment of the First Nation's external auditors.

MNP LLP is appointed by the Chief and Council on behalf of the members to audit the consolidated financial statements and report directly to them; their report follows. The external auditors have full and free access to, and meet periodically and separately with, both the Chief and Council and management to discuss their audit findings.

July 25, 2017

Original signed by:

Band Manager

Independent Auditors' Report

To the Members of Tallcree First Nation:

We have audited the accompanying consolidated financial statements of Tallcree First Nation, which comprise the consolidated statement of financial position as at March 31, 2017, and the consolidated statements of operations and accumulated surplus, changes in net financial assets, cash flows and the related schedules 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 financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

Basis for Qualified Opinion

The financial information for all Nation-owned companies and partnerships were not audited, and accordingly we are unable to verify the balances or transactions with these entities, nor were we able to assess the valuation of amounts due from these entities. As a result, the investment in First Nation partnerships and business entities and accumulated surplus for the years ended March 31, 2017 and March 31, 2016 may be understated or overstated.

Tallcree First Nation has not recorded gravel inventory. We are unable to perform sufficient or appropriate audit evidence to quantify the volume or valuation of the gravel inventory. As a result, assets and accumulated surplus for the years ended March 31, 2017 and March 31, 2016, are understated.

Qualified Opinion

In our opinion, except for the possible effects of the matters described in the Basis for Qualified Opinion paragraphs, the consolidated financial statements present fairly, in all material respects, the financial position of Tallcree First Nation as at March 31, 2017 and the results of its operations, changes in net financial assets and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Leduc, Alberta

July 25, 2017

MNP LLP

Chartered Professional Accountants

MNP
LLP

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

	2017	2016
Financial assets		
Current		
Cash and cash equivalents	2,358,166	543,816
Accounts receivable (Note 4)	1,895,395	799,922
	4,253,561	1,343,738
Investment in First Nation partnerships (Note 5)	2,221,421	1,437,264
Investment in First Nation business entities (Note 5)	854,960	887,688
Funds held in trust (Note 6)	8,143,516	8,068,350
Investment in UFA equity	28,893	29,587
Total financial assets	15,502,351	11,766,627
Liabilities		
Current		
Bank indebtedness (Note 7)	-	458,121
Accounts payable and accruals	1,962,329	636,241
Deferred revenue (Note 8)	164,180	188,807
Current portion of long-term debt (Note 10)	-	241,752
	2,126,509	1,524,921
Term loans due on demand (Note 9)	1,582,874	1,033,000
	3,709,383	2,557,921
Long-term debt (Note 10)	-	521,493
Advances payable (Note 11)	450,000	450,000
Total liabilities	4,159,383	3,529,414
Net financial assets	11,342,968	8,237,213
Contingencies (Note 12)		
Non-financial assets		
Tangible capital assets (Note 13) (Schedule 1)	30,308,103	26,720,873
Prepaid expenses	46,281	72,130
Total non-financial assets	30,354,384	26,793,003
Accumulated surplus (Note 14)	41,697,352	35,030,216

Approved on behalf of the First Nation

Original signed by:

Chief

Original signed by:

Councillor

Tallcree First Nation

Consolidated Statement of Operations and Accumulated Surplus

For the year ended March 31, 2017

	<i>Schedules</i>	2017 Budget	2017	2016
Revenue				
Indigenous and Northern Affairs Canada		5,868,411	12,773,664	6,100,388
Health Canada		1,224,364	1,224,364	1,122,165
Employment and Social Development Canada		309,832	319,786	309,832
		7,402,607	14,317,814	7,532,385
Capital revenue		16,073	776,615	191,625
Other revenue		244,380	518,042	208,144
First Nations Development Fund		424,519	541,766	568,546
Trust funds <i>(Note 6)</i>		-	356,823	115,742
Consultation funding		134,269	145,000	134,269
First Nation Student Success Program		-	78,054	176,970
Rental income		-	42,500	44,825
User fees		-	32,705	39,000
Treaty 8 First Nations of Alberta		-	26,842	28,193
Investment income		263	262	263
GST recovered		-	-	85,155
Reconciliation settlement		66,000	-	66,000
Government of Alberta - governance development		-	-	62,501
Deferred revenue - prior year <i>(Note 8)</i>		-	188,807	188,807
Deferred revenue - current year <i>(Note 8)</i>		-	(164,180)	(188,807)
		8,288,111	16,861,050	9,253,618
Expenses				
Administration	3	900,755	1,497,979	1,348,194
Economic Development	4	68,752	36,386	167,316
Community Services	5	711,560	2,199,676	2,166,486
Housing	6	438,000	744,398	797,570
Social Services	7	929,076	974,330	883,028
Education	8	3,285,563	3,393,094	2,667,067
Post Secondary Education	9	252,174	217,805	192,413
Human Resources Development	10	341,420	477,679	347,363
Health	11	1,146,068	1,055,842	1,077,855
First Nations Development Fund	12	44	296,352	240,971
Cultural Programs	13	60,459	-	60,459
Equity Funds	14	-	(959,095)	(377,906)
Forest Resource Improvement Association of Alberta	15	-	215,870	-
Alberta Future Leaders	16	-	35,896	-
Total expenses		8,133,871	10,186,212	9,570,816
Surplus (deficit) before other items		154,240	6,674,838	(317,198)

Continued on next page

Tallcree First Nation
Consolidated Statement of Operations and Accumulated Surplus

For the year ended March 31, 2017

	<i>2017 Budget</i>	<i>2017</i>	<i>2016</i>
Surplus (deficit) before other items <i>(Continued from previous page)</i>	154,240	6,674,838	(317,198)
Other expenses			
Loss on disposal of tangible capital assets	-	(23,777)	-
Impairment of investment in business enterprises <i>(Note 5)</i>	-	-	(97,752)
	-	(23,777)	(97,752)
Surplus (deficit) before transfers	154,240	6,651,061	(414,950)
Transfers between programs			
Capitalized transfer from Community Services	-	16,075	-
Transfer to Administration	225,000	-	-
Transfer from Health	(122,381)	-	-
Transfer from Cultural Programs	(5,500)	-	-
	97,119	16,075	-
Surplus (deficit)	251,359	6,667,136	(414,950)
Accumulated surplus, beginning of year	35,030,216	35,030,216	35,445,166
Accumulated surplus, end of year	35,281,575	41,697,352	35,030,216

The accompanying notes are an integral part of these financial statements

Tallcree First Nation
Consolidated Statement of Changes in Net Financial Assets
For the year ended March 31, 2017

	<i>2017 Budget</i>	<i>2017</i>	<i>2016</i>
Surplus (deficit)	251,359	6,667,136	(414,950)
Purchases of tangible capital assets	(777,021)	(5,504,789)	(330,000)
Amortization of tangible capital assets	40,000	1,774,782	1,643,622
Writedown of tangible capital assets	-	23,777	-
Proceeds of disposal of tangible capital assets	-	119,000	-
Change in prepaid expenses	-	25,849	(47,677)
Increase (decrease) in net financial assets	(485,662)	3,105,755	850,995
Net financial assets, beginning of year	8,237,213	8,237,213	7,386,218
Net financial assets, end of year	7,751,551	11,342,968	8,237,213

The accompanying notes are an integral part of these financial statements

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

	2017	2016
Cash provided by (used for) the following activities		
Operating activities		
Cash receipts from contributors	15,735,728	9,585,813
Cash paid to suppliers	(4,566,800)	(4,151,903)
Cash paid to employees	(3,980,494)	(3,552,882)
Interest paid	(51,590)	(102,887)
Interest received	-	115,742
Social assistance paid	(713,347)	(664,489)
	6,423,497	1,229,394
Financing activities		
Advances of term loans due on demand	782,874	190,000
Repayment of term loans due on demand	(233,000)	(157,000)
Repayment of long-term debt	(763,245)	(446,697)
Advance on bank indebtedness	-	26,370
Repayment on bank indebtedness	(458,121)	-
Repayment of advances from related entities	133,000	96,224
	(538,492)	(291,103)
Capital activities		
Purchases of tangible capital assets	(4,189,655)	(401,835)
Proceeds of disposal of tangible capital assets	119,000	-
	(4,070,655)	(401,835)
Increase (decrease) in cash resources	1,814,350	536,456
Cash resources, beginning of year	543,816	7,360
Cash resources, end of year	2,358,166	543,816

The accompanying notes are an integral part of these financial statements

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

1. Operations

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

2. Significant accounting policies

The consolidated financial statements are the representations of management, prepared in accordance with Canadian public sector accounting standards established by the Public Sector Accounting Board of CPA Canada and are consistent with the accounting policies set out by the Department of Indigenous and Northern Affairs Canada ("INAC"). Significant aspects of the accounting policies adopted by the First Nation are as follows:

Reporting entity

Tallcree First Nation reporting entity includes the First Nation government and all related entities which are accountable to the First Nation and are either owned or controlled by the First Nation.

Tallcree First Nation business entities, owned or controlled by the First Nation's Council but not dependent on the First Nation for their continuing operations, are included in the consolidated financial statements using the modified equity method, as outlined in Note 5. Under the modified equity method, the equity method of accounting is modified only to the extent that the business entity accounting principles are not adjusted to conform to those of the First Nation. Thus, the First Nation's investment in these entities is recorded at acquisition cost and is increased for the proportionate share of post-acquisition earnings and decreased by post-acquisition losses and distributions received.

Basis of presentation

Sources of revenue and expenses are recorded on the accrual basis of accounting. The accrual basis of accounting recognizes revenue as it becomes available and measurable; expenses are recognized as they are incurred and measurable as a result of the receipt of goods or services and the creation of a legal obligation to pay.

Asset classification

Assets are classified as either financial or non-financial. Financial assets are assets that could be used to discharge existing liabilities or finance future operations. Non-financial assets are acquired, constructed or developed assets that do not normally provide resources to discharge existing liabilities but are employed to deliver government services, may be consumed in normal operations and are not for resale in the normal course of operations. Non-financial assets include tangible capital assets and prepaid expenses.

Prepaid expenses included in non-financial assets include deposits on tangible capital assets and payment for services that have not been provided as of year end.

Tangible capital assets are recorded at cost which includes all amounts that are directly attributable to acquisition, construction, development or betterment of the asset. The First Nation holds works of art and historical treasures of a cultural value, which have not been included in tangible capital assets due to the inability of estimating future benefits associated with such property. The cost of the tangible capital assets are amortized over their expected useful life using the following methods and rates:

	Method	Rate
Buildings and infrastructure	straight-line	5-20 years
Buildings and infrastructure	declining balance	4 %
Band housing	straight-line	25-40 years
General equipment	straight-line	5-15 years
General equipment	declining balance	20 %
Automotive equipment	straight-line	2-10 years
Automotive equipment	declining balance	30 %
Computer equipment	straight-line	3 years
Computer equipment	declining balance	30 %

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

Long-lived assets

Long-lived assets consist of tangible capital assets. Long-lived assets held for use are measured and amortized as described in the applicable accounting policies.

The First Nation performs impairment testing on long-lived assets held for use whenever events or changes in circumstances indicate that the carrying amount of an asset, or group of assets, may not be recoverable. The carrying amount of a long-lived asset is not recoverable if the carrying amount exceeds the sum of the undiscounted future cash flows from its use and disposal. Impairment is measured as the amount by which the asset's carrying amount exceeds its fair value. Fair value is measured using prices for similar items. Any impairment is included in operations for the year.

Net financial assets

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

Revenue recognition

Government transfers

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

Capital revenue

Capital revenue is recognized when services have been provided, all significant contractual obligations have been satisfied and collectability is reasonably assured. Internal contracting revenue is received when the work has been completed related to the project being worked on.

Other revenue

Other revenue is recognized when services have been provided, all significant contractual obligations have been satisfied and collectability is reasonably assured.

Measurement uncertainty (use of estimates)

The preparation of consolidated financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenue and expenses during the reporting period. Employee advances receivable are based on estimates of the reasonable collection of balances from both existing and prior employees. Amounts due from First Nation members and investments in First Nation business enterprises are stated after evaluation as to their collectability and recoverability and an appropriate allowance for impairment is provided where considered necessary. Deferred revenue is based upon estimates of unexpended amounts and amounts required to complete specific projects. Amortization is based on the estimated useful lives of tangible capital assets. Liabilities for contaminated sites are estimated based on the best information available regarding potentially contaminated sites that the First Nation is responsible for. These estimates and assumptions are reviewed periodically and, as adjustments become necessary, they are reported in income in the periods in which they become known.

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

Segments

The First Nation conducts its business through 14 reportable segments: Administration, Economic Development, Community Services, Housing, Social Services, Education, Post Secondary Education, Human Resources Development, Health, First Nations Development Fund, Equity Funds, Cultural Programs, Forest Resource Improvement Association of Alberta, and Alberta Future Leaders. These operating segments are established by senior management to facilitate the achievement of the First Nation's long-term objectives to aid in resource allocation decisions, and to assess operational performance.

For each reported segment, revenue and expenses represent both amounts that are directly attributable to the segment and amounts that are allocated on a reasonable basis. Therefore, certain allocation methodologies are employed in the preparation of segmented financial information. Administration fees have been apportioned based on a percentage of budgeted revenue where permitted by the funder.

The accounting policies used in these segments are consistent with those followed in the preparation of the consolidated financial statements as disclosed above. Inter-segment transfers are recorded at their exchange amount.

Liability for contaminated sites

A liability for remediation of a contaminated site is recognized at the best estimate of the amount required to remediate the contaminated site when contamination exceeding an environmental standard exists, the First Nation is either directly responsible or accepts responsibility, it is expected that future economic benefits will be given up, and a reasonable estimate of the amount is determinable. The best estimate of the liability includes all costs directly attributable to remediation activities and is reduced by expected net recoveries based on information available at March 31, 2017.

At each financial reporting date, the First Nation reviews the carrying amount of the liability. Any revisions required to the amount previously recognized is accounted for in the period revisions are made. The First Nation continues to recognize the liability until it is settled or otherwise extinguished. Disbursements made to settle the liability are deducted from the reported liability when they are made.

At year-end there was no liability for contaminated sites.

Recent accounting pronouncements

Assets, Contingent Assets and Contractual Rights

In June 2015, new PS 3210 *Assets*, PS 3320 *Contingent Assets* and PS 3380 *Contractual Rights* were included in the CPA Canada Public Sector Accounting Handbook.

PS 3210 *Assets* provides additional guidance to clarify the definition of assets set out in PS 1000 Financial Statement Concepts.

PS 3320 *Contingent Assets* establishes disclosure standards on contingent assets. Under previous standards contingent assets could not be recognized.

PS 3380 *Contractual Rights* establishes disclosure standards on contractual rights, and does not include contractual rights to exchange assets where revenue does not arise. The main features of this Standard are as follows:

Contractual rights are rights to economic resources arising from contracts or agreements that will result in both an asset and revenue in the future. Until a transaction or event occurs under a contract or agreement, an entity only has a contractual right to an economic resource. Once the entity has received an asset, it no longer has a contractual right. Contractual rights are distinct from contingent assets as there is no uncertainty related to the existence of the contractual right. These standards are effective for fiscal years beginning on or after April 1, 2017.

The First Nation has not yet determined the effect of the new section in its consolidated financial statements.

2. Significant accounting policies (Continued from previous page)

Financial instruments

In June 2011, the Public Sector Accounting Board ("PSAB") issued PS 3450 *Financial Instruments* to establish standards for recognition, measurement, presentation and disclosure of financial assets, financial liabilities and non-financial derivatives. As a result of issuance of PS 3450, there have been numerous consequential amendments made to other Sections. PS 3450 is effective for fiscal years beginning on or after April 1, 2019. Earlier adoption is permitted. PS 3450 is applied prospectively in the fiscal year of initial adoption; therefore, consolidated financial statements of prior periods, including comparative information, are not restated.

Related party disclosures

In March 2015, the PSAB issued a new standard, PS 2200 *Related Party Disclosures*. This new section defines a related party and establishes disclosures required for related party transactions. Disclosure of information about related party transactions and the relationship underlying them is required when they have occurred at a value difference from that which would have been if arrived at if the parties were unrelated, and they have, or could have, a material financial effect on the financial statements. This section is effective for fiscal years beginning on or after April 1, 2017. Early adoption is permitted.

The First Nation does not expect the adoption of these new standards to have a material impact on its financial statements.

3. Related party transactions

- a) The First Nation has, primarily in prior years, advanced funds to First Nation members and employees of \$467,578 (2016 - \$469,759). These advances are repayable based on terms set when the advances are made. As there is currently no process in place to collect amounts that have been advanced to non-staff First Nation members, amounts have been offset by an allowance for impaired accounts of \$463,505 (2016 - \$463,505).
- b) In order to take advantage of bulk purchase discounts and minimize delivery charges, the First Nation purchases heating fuel in bulk on behalf of employees. These purchases are repayable through payroll withholdings in subsequent periods. Receivables from employees at the year-end total \$11,786 (2016 - \$9,601).
- c) Advances to and from First Nation owned entities, as detailed in Note 5, have no specified interest terms, and therefore no interest revenue or expense has been recorded on the advances.
- d) In the prior year, the First Nation reversed the rent charged in the March 31, 2015 year-end to Tallcree Wildland Limited Partnership, which totaled \$48,000, that was recorded on a non-cash basis and was therefore not included in the consolidated statement of cash flows. No equipment was leased to Tallcree Wildland Limited Partnership in the current or prior year.
- e) During the year, purchases were made by the First Nation that were subsequently reimbursed from Tallcree Wildland Limited Partnership totaling \$41,198 (2016 - \$45,981).
- f) During the year, equipment was rented by the First Nation from Tallcree Wildland Firefighters Limited Partnership totaling \$186,059 (2016 - \$nil).
- g) Included in accounts payable is \$188,021 (2016 - nil) due to related parties of the First Nation.

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

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

4. Accounts receivable

	2017	2016
Indigenous and Northern Affairs Canada	833,562	337,316
Trade receivables	251,914	171,476
First Nations Development Fund	321,062	144,027
Interest receivable	472,064	115,741
Employee advances (net of allowance for doubtful accounts)	15,859	15,855
Employment and Social Development Canada	934	15,507
	1,895,395	799,922

5. Investments in First Nation partnerships and business entities

As indicated in Note 2, the First Nation records its investments in government business enterprises and partnerships using the modified equity method. The First Nation has investments in the following government business enterprises and partnerships:

	Investment cost	Advances to (from)	Accumulated earnings in equity	Current earnings (loss) in equity	Impairment of advances	2017 Total investment
Wholly-owned Businesses:						
Tallcree Wildland (GP) Ltd.	100	(100)	(1,468)	(671)	-	(2,139)
Netaskinan Development (GP) Ltd.	100	(100)	(1,500)	(750)	-	(2,250)
Tipeemso Development (GP) Ltd.	100	(100)	(1,500)	(750)	-	(2,250)
Tallcree Service Centre Ltd.	100	880,376	(122,832)	103,193	-	860,837
Tallcree Wildland Inc.	3	270,803	(270,806)	(750)	-	(750)
418318 Alberta Ltd.	1	2,906	-	-	-	2,907
Netaskinan Development Corporation	20	15,562	(16,977)	-	-	(1,395)
	424	1,169,347	(415,083)	100,272	-	854,960
Partnerships:						
Tallcree Wildland Limited Partnership	100	964,176	323,682	785,657	-	2,073,615
Netaskinan Development Limited Partnership	100	(100)	(1,500)	(750)	-	(2,250)
Tipeemso Development Limited Partnership	100	152,206	(1,500)	(750)	-	150,056
	300	1,116,282	320,682	784,157	-	2,221,421
	724	2,285,629	(94,401)	884,429	-	3,076,381

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

5. **Investments in First Nation partnerships and business entities** *(Continued from previous page)*

	<i>Investment cost</i>	<i>Advances to (from)</i>	<i>Accumulated earnings in equity</i>	<i>Current earnings (loss) in equity</i>	<i>Impairment of advances</i>	<i>2016 Total investment</i>
Wholly-owned Businesses:						
Tallcree Wildland (GP) Ltd.	100	(100)	(742)	(726)	-	(1,468)
Netaskinan Development (GP) Ltd.	100	(100)	(750)	(750)	-	(1,500)
Tipeemso Development (GP) Ltd.	100	(100)	(750)	(750)	-	(1,500)
Tallcree Service Centre Ltd.	100	1,013,376	(235,902)	113,070	-	890,644
Tallcree Wildland Inc.	3	270,803	(197,366)	(1,000)	(72,440)	-
418318 Alberta Ltd.	1	2,906	-	-	-	2,907
Netaskinan Development Corporation	20	15,562	(16,087)	(890)	-	(1,395)
	<u>424</u>	<u>1,302,347</u>	<u>(451,597)</u>	<u>108,954</u>	<u>(72,440)</u>	<u>887,688</u>
Partnerships:						
Tallcree Wildland Limited Partnership	100	989,488	83,434	240,248	(25,312)	1,287,958
Netaskinan Development Limited Partnership	100	(100)	(750)	(750)	-	(1,500)
Tipeemso Development Limited Partnership	100	152,206	(750)	(750)	-	150,806
	<u>300</u>	<u>1,141,594</u>	<u>81,934</u>	<u>238,748</u>	<u>(25,312)</u>	<u>1,437,264</u>
	<u>724</u>	<u>2,443,941</u>	<u>(369,663)</u>	<u>347,702</u>	<u>(97,752)</u>	<u>2,324,952</u>

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

5. Investments in First Nation partnerships and business entities *(Continued from previous page)*

The First Nation's investments in Tallcree Wildland Limited Partnership, Netaskinan Development Limited Partnership, and Tipeemso Development Limited Partnership were established for the purposes of segregating operations related to firefighting, contract work, forestry and timber royalties, and property development.

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

	<i>Tallcree Wildland Limited Partnership As at March 31, 2017</i>	<i>Netaskinan Development Limited Partnership As at March 31, 2017</i>	<i>Tipeemso Development Limited Partnership As at March 31, 2017</i>
Assets			
Cash	795,635	-	-
Accounts receivable	191,439	-	-
Timber quota	-	2,942,500	-
Due from related parties	10,750	-	-
Property and equipment	1,090,832	-	1,500,000
Total assets	2,088,656	2,942,500	1,500,000
Liabilities			
Accounts payable and accruals	15,141	750	750
Due to related parties	964,176	2,943,900	1,501,400
Total liabilities	979,317	2,944,650	1,502,150
	1,109,339	(2,150)	(2,150)
Total revenue	2,518,093	-	-
Total expenses	1,732,436	750	750
Net income (loss), being comprehensive income (loss)	785,657	(750)	(750)

Continued on next page

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

5. Investments in First Nation partnerships and business entities *(Continued from previous page)*

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

	<i>Tallcree Service Centre Inc. As at March 31, 2017</i>	<i>Tallcree Wildland (GP) Ltd. As at March 31, 2017</i>	<i>Netaskinan Development (GP) Ltd. As at March 31, 2017</i>	<i>Tipeemso Development (GP) Ltd. As at March 31, 2017</i>
Assets				
Cash	127,060	-	-	-
Accounts receivable	-	1	-	-
Due from related parties	-	100	100	100
Property and equipment	737,780	-	-	-
Total assets	864,840	101	100	100
Liabilities				
Accounts payable and accruals	2,000	750	750	750
Due to related parties	880,376	1,390	1,500	1,500
Total liabilities	882,376	2,140	2,250	2,250
	(17,536)	(2,039)	(2,150)	(2,150)
Total revenue	180,334	79	-	-
Total expenses	77,141	750	750	750
Net income (loss), being comprehensive income (loss)	103,193	(671)	(750)	(750)

	<i>Tallcree Wildland Inc. As at March 31, 2017</i>	<i>418318 Alberta Ltd. As at March 31, 2017</i>	<i>Netaskinan Development Corporation As at March 31, 2017</i>
Assets			
Cash	-	-	1,106
Accounts receivable	-	-	-
Due from related parties	-	-	-
Property and equipment	-	-	-
Total assets	-	-	1,106
Liabilities			
Accounts payable and accruals	750	-	750
Due to related parties	222,786	2,906	16,312
Total liabilities	223,536	2,906	17,062
	(223,536)	(2,906)	(15,956)
Total revenue	-	-	-
Total expenses	750	-	-
Net income (loss), being comprehensive income (loss)	(750)	-	-

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

5. Investments in First Nation partnerships and business entities *(Continued from previous page)*

In the 2016 year, the First Nation recorded an impairment provision of \$72,440 against the net book value of its investment in Tallcree Wildland Inc..

In the 2016 year, the First Nation recorded an impairment provision of \$25,312 against the net book value of its investment in Tallcree Wildland Limited Partnership, to correct a variance that resulted from the corporate reorganization that was undertaken in 2015.

6. Funds held in trust

Funds held in trust on behalf of the First Nation members by the Government of Canada and Bank of Montreal are reported on the consolidated statement of financial position with an offsetting amount in accumulated surplus. Funds held in trust consist of capital trust moneys derived from non-renewable resource transactions on the sale of land of other First Nation capital assets, revenue trust moneys generated primarily through land leasing transactions or interest earned on deposits held in trust, and land entitlement trust funds.

Per the terms of the Land Entitlement Trust Agreement a minimum of 15% of the net revenue derived by the trust must be capitalized and retained with the trust. The remaining 85% of the net revenue, after payment of the trustee administration fees, may be transferred to the First Nation.

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

	2017	2016
Capital Trust		
Balance, beginning and end of year	1,465	1,465
Revenue Trust		
Balance, beginning of year	110,754	100,976
Interest	11,785	9,778
	122,539	110,754
Land Entitlement Trust		
Balance, beginning of year	7,956,131	7,935,706
Interest	419,204	142,167
Management fees	500	(6,000)
	8,375,835	8,071,873
Less: Transfers to Nation	356,323	115,742
Balance, end of year	8,019,512	7,956,131
	8,143,516	8,068,350

7. Bank indebtedness

At March 31, 2017, the First Nation had not drawn upon their line of credit (2016 - \$nil). The line of credit has a limit of \$300,000 bearing interest at prime plus 3%. The line of credit is secured by an assignment of INAC and Health Canada funding and a general security agreement. In the prior year the balance of bank indebtedness consisted of outstanding cheques issued in excess of bank balances. As at March 31, 2017 prime rate was 2.70% (2016 - 2.70%).

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

8. Deferred revenue

Deferred revenue consists of revenue that has not yet been allocated to projects, revenue that has been allocated to projects to be carried out in future years, and the unexpended portion of revenue on projects in progress at March 31, 2017.

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

	<i>Balance, beginning of year</i>	<i>Revenue received</i>	<i>Transferred to revenue</i>	<i>Balance, end of year</i>
First Nations Development Fund	138,807	541,766	680,573	-
Building Collaboration and Capacity in Education	-	164,180	-	164,180
Community Facility Enhancement Program	50,000	-	50,000	-
	188,807	705,946	730,573	164,180

Deferred revenue represents the liability that the First Nation has to either perform additional work on a particular project or repay the revenue to the funding body.

9. Term loans due on demand

	<i>2017</i>	<i>2016</i>
Bank of Montreal demand loan bearing interest at prime plus 1%, requiring monthly interest only payments until expiry of the term in September 2024. The loan is secured by an assignment of fire insurance on the housing units built with the loan funds.	800,000	900,000
Bank of Montreal demand loan bearing interest at prime plus 1%, requiring monthly interest only payments until expiry of the the term in August 2025.	782,874	133,000
	1,582,874	1,033,000

As at March 31, 2017, the Bank of Montreal prime rate was 2.70% (2016 - 2.70%).

10. Long-term debt

	<i>2017</i>	<i>2016</i>
Peace Hills Trust demand loan with a three year term ending September 2018, repaid in full during the year.	-	763,245
Less: current portion	-	(241,752)
	-	521,493

11. Advances payable

Toyma Capital Inc. entered into a Joint Venture with Tallcree First Nation and Tipeemso Development Corporation in November 2007 with respect to commercial development opportunities, including but not limited to the "Widewater Property". The balance of \$450,000 was advanced to Tallcree First Nation. The balance will be reduced as Tallcree First Nation earns their share of future profits from the development. There are no set terms of repayment on the advances at this time.

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

12. Contingencies

As at March 31, 2017, the First Nation is contingently liable for a \$300,000 (2016 - \$300,000) letter of credit issued to a contractor of the First Nation. The letter of credit will remain in place until such time as the contractor's services are complete and they are paid for the services provided to the First Nation. In the event of default of payment by the First Nation the contractor can access these funds guaranteed by the First Nation. As at March 31, 2017, no liability has been recorded associated with this letter of credit.

The First Nation is working with representatives from INAC to identify and quantify the cost of remediation for certain sites, if any, that are potentially environmentally contaminated. At the year-end, the number of sites, estimated costs of remediation, and estimated recovery of the associated costs from INAC are unknown and cannot be reasonably estimated. As a result, no liability for the potential remediation of these sites has been recorded.

These consolidated financial statements are subject to review by the First Nation's funding agents. It is possible that adjustments could be made based on the results of their reviews.

13. Tangible capital assets

The tangible capital assets details are included in Schedule 1.

Construction in progress includes the South Tallcree school feasibility study and design, a waste transfer station feasibility and design project, a playground play structure, a flood mitigation project, the South Tallcree access road project, two 4-plex housing units, and a modular home installation with a carrying value of \$3,512,174 (2016 - \$454,155). Construction in progress in the prior year that remains in progress at the end of the current year totalled \$454,155 (2016 - \$354,155). No construction in progress projects from the prior year were transferred to tangible capital assets in the current year (2016 - nil). No amortization on these assets has been recorded during the year because they are currently under construction.

Costs related to the acquisition of tangible capital assets of \$1,335,134 (2016 - \$20,000) are included in accounts payable at March 31, 2017, and are therefore not included on the consolidated statement of cash flows.

The First Nation did not receive any contributed assets (2016 - nil) in the year.

14. Accumulated surplus

Accumulated surplus consists of restricted and unrestricted amounts and equity in tangible capital assets as follows:

	2017	2016
Unrestricted surplus	2,754,861	2,571,881
Internally restricted surplus - Post Secondary	5,889	7,480
Internally restricted surplus - Economic Development	1,022	2,006
Internally restricted surplus - Education	62,166	-
Internally restricted surplus - Community Services	1,777,744	-
Restricted surplus - trusts	8,143,516	8,068,350
Restricted surplus - enterprise	(555,945)	(1,440,374)
Equity in tangible capital assets	29,508,099	25,820,873
	41,697,352	35,030,216

Under the funding agreement with Indigenous and Northern Affairs Canada, surpluses in programs which receive fixed funding must be tracked.

The internally restricted surpluses from March 31, 2016 were fully expended in each department for the purposes outlined in the expenditures plan submitted to Indigenous and Northern Affairs Canada on July 21, 2016.

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

15. Economic dependence

Tallcree First Nation receives substantially all of its revenue from INAC and Health Canada as a result of treaties entered into with the Government of Canada. These treaties are administered by the Government of Canada under the terms and conditions of the *Indian Act*. The ability of the First Nation to continue operations is dependent upon the Government of Canada's continued financial commitments as guaranteed by these treaties.

16. Budget information

The disclosed budget information has been approved by Chief and Council through a Band Council Resolution dated February 4, 2016.

	Budget 2017
Approved budgeted operating surplus (deficit)	(525,662)
Capital amounts, budgeted in operating	777,021
Excess of revenue over expenses (<i>Statement of Operations</i>)	251,359
Approved budgeted capital deficit	-
Capital amounts, budgeted for in operating	777,021
Amortization, budgeted for in operating	(40,000)
Capital deficit	(737,021)
Decrease in net financial assets (<i>Statement of Changes in Net Financial Assets</i>)	(485,662)

17. Comparative figures

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

Tallcree First Nation
Schedule 1 - Consolidated Schedule of Tangible Capital Assets

For the year ended March 31, 2017

	<i>Buildings and infrastructure</i>	<i>General equipment</i>	<i>Automotive equipment</i>	<i>Computer equipment</i>	<i>Band housing</i>	<i>2017</i>	<i>2016</i>
Cost							
Balance, beginning of year	27,721,810	1,836,887	939,035	362,252	14,609,398	45,469,382	45,139,382
Acquisition of tangible capital assets	1,555,725	804,361	81,469	5,215	-	2,446,770	230,000
Construction-in-progress	1,679,175	-	-	-	1,378,844	3,058,019	100,000
Disposal of tangible capital assets	-	(211,908)	-	-	-	(211,908)	-
Balance, end of year	30,956,710	2,429,340	1,020,504	367,467	15,988,242	50,762,263	45,469,382
Accumulated amortization							
Balance, beginning of year	9,198,351	861,821	733,252	356,793	7,598,292	18,748,509	17,104,888
Annual amortization	1,066,293	200,742	96,929	4,496	406,322	1,774,782	1,643,621
Accumulated amortization on disposals	-	(69,131)	-	-	-	(69,131)	-
Balance, end of year	10,264,644	993,432	830,181	361,289	8,004,614	20,454,160	18,748,509
Net book value of tangible capital assets	20,692,066	1,435,908	190,323	6,178	7,983,628	30,308,103	26,720,873
2016 net book value of tangible capital assets	18,523,459	975,066	205,783	5,459	7,011,106	26,720,873	

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

	<i>2017</i> <i>Budget</i>	<i>2017</i>	<i>2016</i>
Consolidated expenses by object			
Salaries and benefits	3,370,343	3,995,833	3,545,807
Amortization	40,000	1,774,782	1,643,622
Social assistance	787,329	713,346	664,489
Office and program supplies	693,893	666,146	468,915
Telephone and utilities	880,248	612,566	597,457
Tuition	561,970	610,940	517,501
Consultants and contracted services	315,925	372,917	753,835
Vehicles and fuel	67,122	355,466	137,797
Travel	184,718	355,780	236,515
Training and capacity development	267,739	322,945	123,648
Chief and Council	312,000	312,000	312,000
Program expenses	10,000	309,406	54,256
Repairs and maintenance	226,917	242,362	354,054
Student allowances	199,554	244,870	179,944
Insurance	-	105,943	101,089
Other	26,750	64,892	35,820
National child benefit allowance	20,000	51,883	47,000
Interest	44	51,590	102,887
Rent	9,000	9,000	16,800
Bad debts	-	5,221	-
Fire protection	65,000	-	-
Personal credits	60,459	-	60,459
New paths - parent and community involvement	20,000	-	-
In-home care	20,000	-	-
Write-off of accounts payable	-	(26,198)	-
Change in trust funds	-	(74,666)	(30,204)
Change in business enterprise fund	-	(884,429)	(347,702)
	8,139,011	10,192,595	9,575,989

**Tallcree First Nation
Administration**
Schedule 3 - Schedule of Revenue and Expenses
For the year ended March 31, 2017

	2017 Budget	2017	2016
Revenue			
Indigenous and Northern Affairs Canada			
Band support funding (grant)	504,862	504,862	497,443
Band employee benefits (set)	257,656	257,656	73,454
Pension plan administration (fixed)	56,587	56,587	21,599
Registry events (set)	9,430	9,430	9,132
Tuition agreement	35,000	-	-
HR management government capacity development (set)	-	-	69,000
Response (set)	-	-	52,782
IM/IT government capacity development (set)	-	-	38,000
Membership government capacity development (set)	-	-	35,000
Basic admin government capacity development (set)	-	-	6,500
Indian registry administration (fixed)	-	-	1,862
	863,535	828,535	804,772
Trust interest	-	356,823	115,742
Other revenue	27,950	185,121	28,487
Consultation funding	134,269	145,000	134,269
GST rebate	-	-	85,155
Government of Alberta - governance development	-	-	62,501
	1,025,754	1,515,479	1,230,926

Continued on next page

**Tallcree First Nation
Administration**
Schedule 3 - Schedule of Revenue and Expenses
For the year ended March 31, 2017

	<i>2017 Budget</i>	<i>2017</i>	<i>2016</i>
Revenue <i>(Continued from previous page)</i>	1,025,754	1,515,479	1,230,926
Expenses			
Salaries and benefits	464,993	441,159	305,175
Chief and Council	312,000	312,000	312,000
Training	-	167,868	-
Professional fees	-	126,352	71,896
Travel	7,337	108,928	81,284
Band management fees	-	91,700	92,050
Consultation	115,342	88,855	313,449
Bank charges and interest	-	67,472	56,726
Office and supplies	1,083	54,939	43,163
Other	-	41,860	11,820
Supplies	-	17,508	11,126
Fuel	-	12,750	-
Bad debts	-	5,221	-
Amortization	-	3,540	1,888
Vehicle	-	-	1,500
Interest on long-term debt	-	(15,975)	46,117
Write-off of accounts payable	-	(26,198)	-
	900,755	1,497,979	1,348,194
Surplus (deficit) before transfers	124,999	17,500	(117,268)
Transfers between programs			
Transfer from Education	-	168,805	110,019
Transfer from Health	-	122,436	113,067
Transfer from Post Secondary Education	-	18,801	21,702
Capitalized transfer from Community Services	-	16,075	6,861
Transfer from First Nation Development Fund	-	10,210	-
Transfer to Administration	225,000	-	-
Transfer from Cultural Programs	-	-	5,500
Transfer from Social Services	-	-	3,000
	225,000	336,327	260,149
Surplus	349,999	353,827	142,881

Tallcree First Nation
Economic Development
Schedule 4 - Schedule of Revenue and Expenses
For the year ended March 31, 2017

	<i>2017 Budget</i>	<i>2017</i>	<i>2016</i>
Revenue			
Indigenous and Northern Affairs Canada			
Community economic development program (fixed)	68,752	68,752	68,752
Economic development designations (set)	-	-	124,985
Unexpended funds owing to INAC	-	-	(24,415)
	68,752	68,752	169,322
Expenses			
Salaries and benefits	68,752	68,136	66,746
Other	-	1,000	-
Consultation	-	600	-
Economic development designations (recovery)	-	(33,350)	100,570
	68,752	36,386	167,316
Surplus	-	32,366	2,006

**Tallcree First Nation
Community Services**
Schedule 5 - Schedule of Revenue and Expenses
For the year ended March 31, 2017

	2017 Budget	2017	2016
Revenue			
Indigenous and Northern Affairs Canada			
Renovations - additions (fixed)	-	1,550,000	-
Flood mitigation (fixed)	-	1,236,500	-
Construction of multi-units (fixed)	-	1,053,390	-
Roads and bridges (fixed)	-	1,000,000	-
Education infrastructure design and construction (fixed)	-	750,000	100,000
Water systems (fixed)	248,427	332,867	148,448
Planning and skills development - capital (fixed)	-	150,000	100,000
Wastewater systems (fixed)	97,924	131,540	34,583
Fire protection (fixed)	-	116,224	-
Planning studies - waste management (fixed)	-	90,100	-
Roads and bridges (fixed)	76,996	76,996	76,996
Fire protection (fixed)	76,485	76,485	76,485
Community buildings (fixed)	56,584	56,584	56,584
Solid waste (fixed)	37,876	37,876	37,876
Municipal services (fixed)	34,002	34,002	34,002
Electrical systems (fixed)	3,869	3,869	3,869
O&M management support (fixed)	2,900	2,900	2,900
Wastewater O&M (fixed)	33,616	-	206,559
Water O&M (fixed)	84,433	-	179,536
Water (under 1.5M) - truck (fixed)	-	-	233,784
Education plan design and construction (fixed)	-	-	50,000
	753,112	6,699,333	1,341,622
Capital revenue	16,073	560,745	191,625
Other revenue	175,553	43,782	28,498
Deferred revenue - prior year	-	50,000	50,000
Deferred revenue - current year	-	-	(50,000)
	944,738	7,353,860	1,561,745

Continued on next page

**Tallcree First Nation
Community Services**
Schedule 5 - Schedule of Revenue and Expenses
For the year ended March 31, 2017

	<i>2017 Budget</i>	<i>2017</i>	<i>2016</i>
Revenue <i>(Continued from previous page)</i>	944,738	7,353,860	1,561,745
Expenses			
Amortization	40,000	1,089,924	1,033,979
Salaries and benefits	85,052	308,689	351,568
Utilities	363,000	264,584	195,043
Supplies	-	194,580	44,696
Repairs and maintenance	-	111,723	188,609
Fuel	-	97,083	64,448
Insurance	-	44,417	39,563
Contracted services	3,250	37,500	170,697
Vehicle	29,358	19,539	44,804
Travel	32,000	19,413	18,747
Training	-	4,229	5,891
Office and supplies	90,900	4,157	4,689
Telephone	-	3,838	3,752
Fire protection	65,000	-	-
Professional development	3,000	-	-
	711,560	2,199,676	2,166,486
Surplus (deficit) before transfers	233,178	5,154,184	(604,741)
Transfers between programs	-	-	(6,861)
Surplus (deficit)	233,178	5,154,184	(611,602)

**Tallcree First Nation
Housing**
Schedule 6 - Schedule of Revenue and Expenses
For the year ended March 31, 2017

	<i>2017 Budget</i>	<i>2017</i>	<i>2016</i>
Revenue			
Indigenous and Northern Affairs Canada			
Major renos, extensions, and repairs (fixed)	438,000	438,000	438,000
Planning design and construction (fixed)	-	400,000	-
	438,000	838,000	438,000
Other revenue	-	2,092	-
	438,000	840,092	438,000
Expenses			
Amortization	-	348,894	348,894
Salaries and benefits	106,000	257,840	242,780
Major renovations, extensions, and repairs	332,000	112,402	187,823
Vehicle	-	13,931	9,380
Travel	-	9,530	7,493
Telephone	-	1,200	1,200
Utilities	-	601	-
	438,000	744,398	797,570
Surplus (deficit)	-	95,694	(359,570)

Tallcree First Nation
Social Services
Schedule 7 - Schedule of Revenue and Expenses
For the year ended March 31, 2017

	<i>2017 Budget</i>	<i>2017</i>	<i>2016</i>
Revenue			
Indigenous and Northern Affairs Canada			
Basic needs (set)	708,006	702,471	650,024
Service delivery (fixed)	101,747	101,747	111,747
National child benefit allowance (set)	20,000	51,883	50,000
Special needs (set)	23,700	23,700	23,700
In-home care (set)	20,000	12,000	12,000
Child out of parental home allowance (set)	45,629	2,520	2,520
Unexpended funds received	-	2,345	-
Unexpended funds owing to INAC	-	(27,345)	(27,495)
Prior year decommitted funds	-	-	(31,929)
	919,082	869,321	790,567
Other revenue	-	53,048	41,337
	919,082	922,369	831,904
Expenses			
Basic needs	718,000	695,496	653,764
Salaries and benefits	91,747	137,573	123,856
National child benefit allowance	20,000	51,883	47,000
Travel	3,000	31,689	1,757
Office and supplies	7,000	26,886	25,834
Special needs	23,700	17,850	9,503
Telephone	-	9,437	8,321
Training	-	3,211	11,612
Supplies	-	305	159
Child out of parental home allowance	45,629	-	1,222
In-home care	20,000	-	-
	929,076	974,330	883,028
Deficit before transfers	(9,994)	(51,961)	(51,124)
Transfers between programs	-	-	(3,000)
Deficit	(9,994)	(51,961)	(54,124)

Tallcree First Nation
Education
Schedule 8 - Schedule of Revenue and Expenses
For the year ended March 31, 2017

	<i>2017</i> <i>Budget</i>	<i>2017</i>	<i>2016</i>
Revenue			
Indigenous and Northern Affairs Canada			
Instructional services (fixed)	733,965	1,023,158	900,769
Tuition agreement (set)	491,936	588,308	502,839
Band operated schools (set)	504,610	551,040	238,340
Schools O&M (fixed)	442,634	442,634	442,634
Skills link program (fixed)	27,252	207,052	-
New paths - language and culture (set)	128,564	138,564	-
Student transportation (fixed)	104,292	108,985	104,292
Guidance and counselling (fixed)	45,000	45,000	45,000
Enhanced teacher salaries (set)	36,895	39,662	36,895
Low cost special education (fixed)	18,900	25,538	18,810
New paths - parent and community involvement (set)	20,000	10,000	11,460
Ancillary support (fixed)	14,700	14,700	13,475
New paths - teacher retention and recruitment (set)	13,000	13,000	12,500
New paths - capacity development (set)	10,000	10,000	10,300
Fit up education facility (fixed)	8,000	8,000	7,680
Provincial school - direct service (set)	4,940	4,940	-
New paths - improving school effectiveness (set)	4,127	4,127	3,585
Unexpended amounts owing to INAC	-	-	(33,669)
Prior year INAC funding	-	-	24,180
	2,608,815	3,234,708	2,339,090
Other revenue	-	182,050	61,126
First Nation Student Success Program	-	78,054	176,970
Rental income	-	42,500	44,825
Hot lunch program revenue	-	32,705	39,000
Treaty 8	-	26,842	28,193
Deferred revenue - current year	-	(164,180)	-
	2,608,815	3,432,679	2,689,204

Continued on next page

Tallcree First Nation
Education
Schedule 8 - Schedule of Revenue and Expenses
For the year ended March 31, 2017

	<i>2017 Budget</i>	<i>2017</i>	<i>2016</i>
Revenue <i>(Continued from previous page)</i>	2,608,815	3,432,679	2,689,204
Expenses			
Salaries and benefits	1,810,179	1,921,177	1,532,320
Tuition	491,000	558,247	468,762
Program expenses	10,000	309,406	54,256
Utilities	155,000	177,845	154,482
Supplies	38,000	102,703	75,557
Repairs and maintenance	165,000	83,497	123,191
Travel	31,500	56,160	30,822
Hot lunch program expenses	40,000	38,401	39,098
Insurance	-	30,763	30,763
Training	29,500	24,961	6,996
Fuel	10,000	19,082	9,576
Office and supplies	50,000	18,564	16,304
Professional development	4,000	15,839	29,048
Amortization	-	13,317	4,149
Telephone	13,000	12,166	12,976
Other	500	7,703	1,387
Furniture and equipment	-	2,313	-
Professional fees	-	950	-
Band employee benefits	-	-	77,380
Youth employment strategy	192,193	-	-
New paths - improving school effectiveness	132,691	-	-
First Nation Student Success Program	70,000	-	-
New paths - parent and community involvement	20,000	-	-
New paths - teacher retention and recruitment	13,000	-	-
New paths - capacity development	10,000	-	-
	3,285,563	3,393,094	2,667,067
Surplus (deficit) before transfers	(676,748)	39,585	22,137
Transfers between programs	-	(168,805)	(110,019)
Deficit	(676,748)	(129,220)	(87,882)

Tallcree First Nation
Post Secondary Education
Schedule 9 - Schedule of Revenue and Expenses
For the year ended March 31, 2017

	<i>2017 Budget</i>	<i>2017</i>	<i>2016</i>
Revenue			
Indigenous and Northern Affairs Canada Post secondary (fixed)	217,115	235,015	217,015
Expenses			
Student allowances	138,654	149,010	119,044
Tuition	70,970	52,694	48,739
Books and scholarships	24,750	14,321	15,212
Travel	4,800	1,780	9,024
Office and supplies	13,000	-	394
	252,174	217,805	192,413
Surplus (deficit) before transfers	(35,059)	17,210	24,602
Transfers between programs	-	(18,801)	(21,702)
Surplus (deficit)	(35,059)	(1,591)	2,900

Tallcree First Nation
Human Resources Development
Schedule 10 - Schedule of Revenue and Expenses
For the year ended March 31, 2017

	<i>2017 Budget</i>	<i>2017</i>	<i>2016</i>
Revenue			
Employment and Social Development Canada			
ESDC – Labour market - CRF	153,121	163,121	153,121
ESDC – Youth	97,532	97,532	97,532
ESDC – Labour market – EI	59,179	59,133	59,179
	309,832	319,786	309,832
Other revenue	-	2,912	-
	309,832	322,698	309,832
Expenses			
Salaries and benefits	102,442	152,084	103,911
Training	63,755	103,191	63,755
Student allowances	60,900	95,860	60,900
Travel	56,348	84,198	56,348
Supplies	18,359	16,091	18,359
Rent	9,000	9,000	9,000
Utilities	4,721	6,599	4,721
Amortization	-	4,474	4,474
Telephone	4,225	4,228	4,225
Office and supplies	1,718	973	1,718
Repairs and maintenance	18,452	896	18,452
Vehicle	-	85	-
Other	1,500	-	1,500
	341,420	477,679	347,363
Deficit	(31,588)	(154,981)	(37,531)

**Tallcree First Nation
Health**

Schedule 11 - Schedule of Revenue and Expenses
For the year ended March 31, 2017

	<i>2017 Budget</i>	<i>2017</i>	<i>2016</i>
Revenue			
Health Canada	1,224,364	1,224,364	1,122,165
Other revenue	40,878	13,136	48,696
	1,265,242	1,237,500	1,170,861
Expenses			
Salaries and benefits	558,178	682,186	744,597
Materials	410,421	167,886	169,118
Repairs and maintenance	43,465	46,246	18,912
Travel	49,733	40,894	31,039
Amortization	-	33,301	24,414
Insurance	-	30,763	30,763
Telephone	8,302	18,027	18,012
Vehicle	27,764	16,126	8,448
Office and supplies	23,413	15,126	15,709
Training	24,792	3,647	6,703
Utilities	-	1,640	4,597
Other	-	-	5,543
	1,146,068	1,055,842	1,077,855
Surplus before transfers	119,174	181,658	93,006
Transfers between programs	(122,381)	(122,436)	(113,067)
Surplus (deficit)	(3,207)	59,222	(20,061)

Tallcree First Nation
First Nations Development Fund
Schedule 12 - Schedule of Revenue and Expenses
For the year ended March 31, 2017

	<i>2017 Budget</i>	<i>2017</i>	<i>2016</i>
Revenue			
First Nations Development Fund	424,519	541,766	568,546
Investment income	263	262	263
Deferred revenue - prior year	-	138,807	138,807
Deferred revenue - current year	-	-	(138,807)
	424,782	680,835	568,809
Expenses			
Amortization	-	281,332	225,824
Consultation	-	14,926	-
Bank charges and interest	44	94	44
Repairs and maintenance	-	-	15,103
	44	296,352	240,971
Surplus before other items	424,738	384,483	327,838
Other expense			
Loss on disposal of capital assets	-	(23,777)	-
Surplus before transfers	424,738	360,706	327,838
Transfers between programs	-	(10,210)	-
Surplus	424,738	350,496	327,838

Tallcree First Nation
Cultural Programs
Schedule 13 - Schedule of Revenue and Expenses
For the year ended March 31, 2017

	<i>2017 Budget</i>	<i>2017</i>	<i>2016</i>
Revenue			
Reconciliation settlement	66,000	-	66,000
Expenses			
Personal credits	60,459	-	60,459
Surplus before transfers	5,541	-	5,541
Transfers between programs	(5,500)	-	(5,500)
Surplus	41	-	41

Tallcree First Nation
Equity Funds
Schedule 14 - Schedule of Revenue and Expenses
For the year ended March 31, 2017

	<i>2017 Budget</i>	<i>2017</i>	<i>2016</i>
Expenses			
Change in trust funds	-	(74,666)	(30,204)
Change in business enterprise fund	-	(884,429)	(347,702)
Surplus before other items	-	959,095	377,906
Other expense			
Impairment of advances to business enterprises <i>(Note 5)</i>	-	-	(97,752)
Surplus	-	959,095	280,154

Tallcree First Nation
Forest Resource Improvement Association of Alberta
Schedule 15 - Schedule of Revenue and Expenses
For the year ended March 31, 2017

	<i>2017 Budget</i>	<i>2017</i>	<i>2016</i>
Revenue			
Capital revenue	-	215,870	-
Expenses			
Vehicle	-	176,870	-
Consultation	-	39,000	-
	-	215,870	-
Surplus	-	-	-

Tallcree First Nation
Alberta Future Leaders
Schedule 16 - Schedule of Revenue and Expenses
For the year ended March 31, 2017

	<i>2017 Budget</i>	<i>2017</i>	<i>2016</i>
Revenue			
Other revenue	-	35,900	-
Expenses			
Salaries and benefits	-	26,995	-
Materials	-	5,712	-
Travel	-	3,189	-
	-	35,896	-
Surplus	-	4	-