

Tallcree First Nation
Consolidated Financial Statements
March 31, 2016

Tallcree First Nation Contents

For the year ended March 31, 2016

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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 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 21, 2016

Band Manager

Original signed by:

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, 2016, 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 companies, nor were we able to assess the valuation of amounts due from these companies. As a result, the investment in First Nation partnerships and business entities and accumulated surplus for the years ended March 31, 2016 and March 31, 2015 may be understated or overstated.

Qualified Opinion

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, the consolidated financial statements present fairly, in all material respects, the financial position of Tallcree First Nation as at March 31, 2016 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 21, 2016

MNP LLP

Chartered Professional Accountants

Tallcree First Nation
Consolidated Statement of Financial Position
As at March 31, 2016

	2016	2015
Financial assets		
Current		
Cash and cash equivalents	543,816	7,360
Accounts receivable (Note 4)	799,922	1,052,147
	1,343,738	1,059,507
Investment in First Nation partnerships (Note 5)	1,437,264	1,223,828
Investment in First Nation business entities (Note 5)	887,688	947,398
Funds held in trust (Note 6)	8,068,350	8,038,147
Investment in UFA equity	29,587	30,298
Total financial assets	11,766,627	11,299,178
Liabilities		
Current		
Bank indebtedness (Note 7)	458,121	431,751
Accounts payable and accruals	636,241	632,462
Deferred revenue (Note 8)	188,807	188,807
Current portion of long-term debt (Note 10)	241,752	307,868
	1,524,921	1,560,888
Term loans due on demand (Note 9)	1,033,000	1,000,000
	2,557,921	2,560,888
Long-term debt (Note 10)	521,493	902,072
Advances payable (Note 11)	450,000	450,000
Total liabilities	3,529,414	3,912,960
Net financial assets	8,237,213	7,386,218
Contingencies (Note 12)		
Non-financial assets		
Tangible capital assets (Note 13) (Schedule 1)	26,720,873	28,034,494
Prepaid expenses	72,130	24,454
Total non-financial assets	26,793,003	28,058,948
Accumulated surplus (Note 14)	35,030,216	35,445,166

Approved on behalf of the First Nation

_____ Chief

Original signed by:

_____ Councillor

Original signed by:

The accompanying notes are an integral part of these financial statements

Tallcree First Nation

Consolidated Statement of Operations and Accumulated Surplus

For the year ended March 31, 2016

	<i>Schedules</i>	<i>2016 Budget</i>	<i>2016</i>	<i>2015</i>
Revenue				
Indigenous and Northern Affairs Canada		6,040,725	6,100,388	6,015,985
Health Canada		1,122,165	1,122,165	1,079,757
Human Resources and Skills Development Canada		309,832	309,832	300,189
		7,472,722	7,532,385	7,395,931
First Nations Development Fund		424,519	568,546	583,799
Other revenue		361,159	208,144	98,004
Capital revenue		16,073	191,625	445,664
First Nation Student Success Program		190,000	176,970	157,650
Consultation funding		134,269	134,269	134,268
Trust interest <i>(Note 6)</i>		312,165	115,742	312,165
GST recovered		-	85,155	-
Reconciliation settlement		66,000	66,000	-
Government of Alberta - governance development		-	62,501	-
Rental income		41,800	44,825	83,200
User fees		30,000	39,000	26,785
Treaty 8		28,193	28,193	60,035
Investment income		263	263	266
Deferred revenue - prior year <i>(Note 8)</i>		-	188,807	477,920
Deferred revenue - current year <i>(Note 8)</i>		-	(188,807)	(188,807)
		9,077,163	9,253,618	9,586,880
Expenses				
Administration	3	1,437,535	1,348,194	1,148,447
Economic Development	4	193,737	167,316	70,461
Community Services	5	1,362,800	2,166,486	2,071,856
Housing	6	445,272	797,570	1,011,116
Social Services	7	906,990	883,028	962,943
Education	8	2,680,318	2,667,067	2,612,857
Post Secondary Education	9	217,000	192,413	195,143
Human Resources Development	10	341,421	347,363	281,895
Health	11	1,048,484	1,077,855	1,052,251
First Nations Development Fund	12	44	240,971	229,741
Cultural Programs	13	60,459	60,459	-
Equity Funds	14	-	(377,906)	(258,207)
Total expenses		8,694,060	9,570,816	9,378,503
Surplus (deficit) before other items		383,103	(317,198)	208,377

Continued on next page

Tallcree First Nation
Consolidated Statement of Operations and Accumulated Surplus
For the year ended March 31, 2016

	<i>Schedules</i>	<i>2016</i>	<i>2016</i>	<i>2015</i>
		<i>Budget</i>		
Surplus (deficit) before other items <i>(Continued from previous page)</i>		383,103	(317,198)	208,377
Other expense				
Impairment of investment in business enterprises <i>(Note 5)</i>		-	(97,752)	-
Surplus (deficit) before transfers		383,103	(414,950)	208,377
Transfers between programs				
Capitalized transfer from Community Services		-	-	35,400
Surplus (deficit)		383,103	(414,950)	243,777
Accumulated surplus, beginning of year		35,445,166	35,445,166	35,201,389
Accumulated surplus, end of year		35,828,269	35,030,216	35,445,166

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, 2016

	<i>2016 Budget</i>	<i>2016</i>	<i>2015</i>
Surplus (deficit)	383,103	(414,950)	243,777
Purchases of tangible capital assets	(333,784)	(330,000)	(2,487,254)
Amortization of tangible capital assets	-	1,643,622	1,641,049
Writedown of tangible capital assets	-	-	75,455
Proceeds of disposal of tangible capital assets	-	-	6,000
Change in prepaid expenses	-	(47,677)	120,134
Increase (decrease) in net financial assets	49,319	850,995	(400,839)
Net financial assets, beginning of year	7,386,218	7,386,218	7,787,057
Net financial assets, end of year	7,435,537	8,237,213	7,386,218

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, 2016

	<i>2016</i>	<i>2015</i>
Cash provided by (used for) the following activities		
Operating activities		
Cash receipts from contributors	9,585,813	9,762,049
Cash paid to suppliers	(4,151,904)	(3,798,588)
Cash paid to employees	(3,552,881)	(3,058,266)
Interest paid	(102,887)	(115,317)
Interest received	115,742	312,165
Social assistance paid	(664,489)	(708,531)
	1,229,394	2,393,512
Financing activities		
Advances of term loans due on demand	190,000	1,000,000
Repayment of term loans due on demand	(157,000)	-
Repayment of long-term debt	(446,697)	(304,232)
Advance on bank indebtedness	26,370	108,183
Repayment of advances from related entities	96,224	79,237
	(291,103)	883,188
Capital activities		
Purchases of tangible capital assets	(401,835)	(3,560,673)
Proceeds of disposal of tangible capital assets	-	6,000
	(401,835)	(3,554,673)
Increase (decrease) in cash resources	536,456	(277,973)
Cash resources, beginning of year	7,360	285,333
Cash resources, end of year	543,816	7,360

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, 2016

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.

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

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 %

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.

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

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.

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.

Segments

The First Nation conducts its business through 12 reportable segments: Administration, Economic Development, Community Services, Housing, Social Services, Education, Post Secondary Education, Human Resources Development, Health, First Nations Development Fund, Equity Funds, and Cultural Programs. 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, 2016.

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.

Tallcree First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2016

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

Recent accounting pronouncements

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. 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 \$469,759 (2015 - \$467,236). 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 (2015 - \$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 \$9,601 (2015 - \$21,948).
- c) Advances to and from First Nation owned companies, as detailed in Note 5, have no specified interest terms, and therefore no interest revenue or expense has been recorded on the advances.
- d) During the 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 year (2015 - \$83,923).
- e) During the year, purchases were made by the First Nation that were subsequently reimbursed from Tallcree Wildland Limited Partnership totaling \$45,981 (2015 - \$40,585).

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.

4. **Accounts receivable**

	2016	2015
Indigenous and Northern Affairs Canada	337,316	530,744
Trade receivables	171,476	32,399
First Nation Development Fund	144,027	143,673
Interest receivable	115,741	312,165
Employee advances (net of allowance for doubtful accounts)	15,855	25,679
Human Resource and Skills Development Canada	15,507	7,487
	799,922	1,052,147

Tallcree First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2016

5. Investments in First Nation partnerships and business entities

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

	<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)
	424	1,302,347	(451,597)	108,954	(72,440)	887,688
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
	300	1,141,594	81,934	238,748	(25,312)	1,437,264
	724	2,443,941	(369,663)	347,702	(97,752)	2,324,952

Tallcree First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2016

5. **Investments in First Nation 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>2015 Total investment</i>
Wholly-owned						
Businesses:						
Tallcree Wildland (GP) Ltd.	100	(100)	-	(742)	-	(742)
Netaskinan Development (GP) Ltd.	100	(100)	-	(750)	-	(750)
Tipeemso Development (GP) Ltd.	100	(100)	-	(750)	-	(750)
Tallcree Service Centre Ltd.	100	1,109,600	(328,291)	92,389	-	873,798
Tallcree Wildland Inc.	3	270,803	(1,565,728)	1,368,362	-	73,440
418318 Alberta Ltd.	1	2,906	-	-	-	2,907
Netaskinan Development Corporation	20	15,562	(15,197)	(890)	-	(505)
	424	1,398,571	(1,909,216)	1,457,619	-	947,398
Partnerships						
Tallcree Wildland Limited Partnership	100	989,489	-	83,434	-	1,073,023
Netaskinan Development Limited Partnership	100	(100)	-	(750)	-	(750)
Tipeemso Development Limited Partnership	100	152,205	-	(750)	-	151,555
	300	1,141,594	-	81,934	-	1,223,828
	724	2,540,165	(1,909,216)	1,539,553	-	2,171,226

Continued on next page

Tallcree First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2016

5. **Investments in First Nation 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, 2016</i>	<i>Netaskinan Development Limited Partnership As at March 31, 2016</i>	<i>Tipeemso Development Limited Partnership As at March 31, 2016</i>
Assets			
Cash	565,877	-	-
Accounts receivable	7,980	-	-
Prepays	1,950	-	-
Timber quota	-	2,942,500	-
Due from related parties	5,500	-	-
Property and equipment	729,679	-	1,500,000
Total assets	1,310,986	2,942,500	1,500,000
Liabilities			
Accounts payable and accruals	23,128	750	750
Due to related parties	964,176	2,943,150	1,500,650
Total liabilities	987,304	2,943,900	1,501,400
	323,682	(1,400)	(1,400)
Total revenue	1,589,888	-	-
Total expenses	1,349,640	750	750
	240,248	(750)	(750)
Net income (loss), being comprehensive income (loss)	240,248	(750)	(750)

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Tallcree First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2016

5. **Investments in First Nation 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, 2016</i>	<i>Tallcree Wildland (GP) Ltd. As at March 31, 2016</i>	<i>Netaskinan Development (GP) Ltd. As at March 31, 2016</i>	<i>Tipeemso Development (GP) Ltd. As at March 31, 2016</i>
Assets				
Cash	105,574	-	-	-
Accounts receivable	6,250	-	-	-
Investment in limited partnership	-	1	-	-
Due from related parties	-	100	100	100
Property and equipment	782,823	-	-	-
Total assets	894,647	101	100	100
Liabilities				
Accounts payable and accruals	2,000	750	750	750
Due to related parties	1,013,378	719	750	750
Total liabilities	1,015,378	1,469	1,500	1,500
	(120,731)	(1,368)	(1,400)	(1,400)
Total revenue	180,001	24	-	-
Total expenses	66,931	750	750	750
	113,070	(726)	(750)	(750)
Net income (loss), being comprehensive income (loss)	113,070	(726)	(750)	(750)
	<i>Tallcree Wildland Inc. As at March 31, 2016</i>	<i>418318 Alberta Ltd. As at March 31, 2016</i>	<i>Netaskinan Development Corporation As at March 31, 2016</i>	
Assets				
Cash	-	-	1,106	
Accounts receivable	-	-	-	
Investment in limited partnership	-	-	-	
Due from related parties	-	-	-	
Property and equipment	-	-	-	
Total assets	-	-	1,106	
Liabilities				
Accounts payable and accruals	1,000	-	1,000	
Due to related parties	222,036	2,906	16,312	
Total liabilities	223,036	2,906	17,312	
	(223,036)	(2,906)	(16,206)	
Total revenue	-	-	-	
Total expenses	1,000	-	890	
	(1,000)	-	(890)	
Net income (loss), being comprehensive income (loss)	(1,000)	-	(890)	

Tallcree First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2016

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

During the year, the First Nation recorded an impairment provision of \$72,440 against the net book value of its investment in Tallcree Wildland Inc., as the entity is non-operational and is not expected to resume future operations.

During the 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 the prior year.

In the prior year, the First Nation and its enterprises underwent a corporate reorganization. The following adjustments to net assets, resulting from the transfer of assets between enterprises as part of the corporate reorganization have been recorded in the financial statements of the enterprises to arrive at the amount included in the First Nation's consolidated financial statements:

a) Tallcree Wildland Inc. transferred land at the fair market value through the First Nation to Tipeemso Development Limited Partnership, resulting in a gain within Tallcree Wildland Inc. of \$1,346,694. As the land remains an asset of the consolidated First Nation, the gain recognized on the inter-organizational transfer within Tallcree Wildland Inc. has been reduced by \$1,346,694 and the balance payable to the Tallcree First Nation by Tallcree Wildland Inc. has been increased by \$1,346,694. Within Tipeemso Development Limited Partnership, the book value of the land has been reduced by \$1,346,694 and the balance payable to the Tallcree First Nation has been reduced by \$1,346,694.

b) The First Nation transferred timber quota at fair market value to Netaskinan Development Limited Partnership, resulting in a gain within the First Nation of \$2,942,500. As the timber quota remains an asset of the consolidated First Nation, the gain recognized on the inter-organizational transfer within the Tallcree First Nation has been reduced by \$2,942,500 and the balance receivable from the Netaskinan Development Limited Partnership has been reduced by \$2,942,500. Within Netaskinan Development Limited Partnership, the book value of the timber quota has been reduced by \$2,942,500 and the balance payable to the Tallcree First Nation has been reduced by \$2,942,500.

There is no net effect on the consolidated financial statements at the end of the year.

Tallcree First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2016

6. Funds held in trust

Funds held in trust on behalf of the First Nation members by the Government of Canada and Peace Hills Trust 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.

	<i>2016</i>	<i>2015</i>
Capital Trust		
Balance, beginning and end of year	1,465	1,465
Revenue Trust		
Balance, beginning of year	100,976	90,716
Interest	9,778	10,260
	110,754	100,976
Land Entitlement Trust		
Balance, beginning of year	7,935,706	7,881,476
Interest	142,167	372,395
Management fees	(6,000)	(6,000)
	8,071,873	8,247,871
Less: Transfers to Nation	115,742	312,165
Balance, end of year	7,956,131	7,935,706
	8,068,350	8,038,147

7. Bank indebtedness

At March 31, 2016, the First Nation had not drawn upon their line of credit (2015 - \$117,336). 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. The balance of bank indebtedness at year end includes outstanding cheques issued in excess of bank balances. As at March 31, 2016 prime rate was 2.70% (2015 - 2.85%).

Tallcree First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2016

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, 2016.

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	568,546	568,546	138,807
Community Facility Enhancement Program	50,000	-	-	50,000
	188,807	568,546	568,546	188,807

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>2016</i>	<i>2015</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.	900,000	1,000,000
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.	133,000	-
	1,033,000	1,000,000

As at March 31, 2016, the Bank of Montreal prime rate was 2.70% (2015 - 2.85%).

Tallcree First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2016

10. Long-term debt

	<i>2016</i>	<i>2015</i>
Peace Hills Trust demand loan with a three year term ending September 2018. Repayable in annual payments of \$302,594 including interest at 7.34%. Secured by a general security agreement over the assets of the First Nation.	763,245	985,003
Peace Hills Trust demand loan, related to Tallcree Service Centre Inc., with a five year term ending September 2017. The loan was repaid in full in the year.	-	224,937
	763,245	1,209,940
Less: current portion	241,752	307,868
	521,493	902,072

Principal repayments on long-term debt in each of the next three years, assuming long-term debt subject to refinancing is renewed, are estimated as follows:

2017	241,752
2018	254,201
2019	267,292

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.

12. Contingencies

As at March 31, 2016, the First Nation is contingently liable for a \$300,000 (2015 - nil) letter of credit issued to a contractor of the First Nation. The letter of credit will remain in place until such time as the contractors 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, 2016, 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 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.

Tallcree First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2016

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 and a waste transfer station feasibility and design project with a carrying value of \$454,155 (2015 - \$764,747). Construction in progress in the prior year that remains in progress at the end of the current year totaled \$354,155 (2015 - \$157,725). Construction in progress in the prior year which was transferred to tangible capital assets in the current year totaled \$410,592 (2015 - 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 \$20,000 (2015 - \$91,835) are included in accounts payable at March 31, 2016, and are therefore not included on the consolidated statement of cash flows.

The First Nation did not receive any contributed assets (2015 - nil) in the year.

14. Accumulated surplus

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

	<i>2016</i>	<i>2015</i>
Unrestricted surplus	2,576,461	2,084,302
Utilization of prior year restricted surplus - Post Secondary	(4,580)	-
Internally restricted surplus - Post Secondary	7,480	4,580
Internally restricted surplus - Economic Development	2,006	-
Restricted surplus - trusts	8,068,350	8,038,147
Restricted surplus - enterprise	(1,440,374)	(1,716,357)
Equity in tangible capital assets	25,820,873	27,034,494
	35,030,216	35,445,166

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, 2015 were fully expended in each department for the purposes outlined in the expenditures plan submitted to Indigenous and Northern Affairs Canada on July 22, 2015.

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.

Tallcree First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2016

16. Budget information

The disclosed budget information has been approved by Chief and Council through a Band Council Resolution dated February 26, 2015.

	<i>Budget 2016</i>
Approved budgeted operating surplus (deficit)	(16,163)
Administration fees not included in budget	65,482
Capital amounts, budgeted in operating	333,784
Excess of revenue over expenses (<i>Statement of Operations</i>)	383,103
Approved budgeted capital deficit	-
Capital amounts, budgeted for in operating	333,784
Capital deficit	(333,784)
Increase in net financial assets (<i>Statement of Changes in Net Financial Assets</i>)	49,319

17. Comparative figures

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

Tallcree First Nation
Schedule 1 - Schedule of Tangible Capital Assets

For the year ended March 31, 2016

	<i>Buildings and infrastructure</i>	<i>General equipment</i>	<i>Automotive equipment</i>	<i>Computer equipment</i>	<i>Band housing</i>	<i>2016</i>	<i>2015</i>
Cost							
Balance, beginning of year	27,621,810	1,606,887	939,035	362,252	14,609,398	45,139,382	42,733,583
Acquisition of tangible capital assets	-	230,000	-	-	-	230,000	1,880,232
Construction-in-progress	100,000	-	-	-	-	100,000	607,022
Disposal of tangible capital assets	-	-	-	-	-	-	(81,455)
Balance, end of year	27,721,810	1,836,887	939,035	362,252	14,609,398	45,469,382	45,139,382
Accumulated amortization							
Balance, beginning of year	8,192,883	722,012	644,482	353,541	7,191,970	17,104,888	15,463,839
Annual amortization	1,005,468	139,809	88,770	3,252	406,322	1,643,621	1,641,049
Balance, end of year	9,198,351	861,821	733,252	356,793	7,598,292	18,748,509	17,104,888
Net book value of tangible capital assets	18,523,459	975,066	205,783	5,459	7,011,106	26,720,873	28,034,494
2015 net book value of tangible capital assets	19,428,927	884,875	294,553	8,711	7,417,428	28,034,494	

Tallcree First Nation
Schedule 2 - Consolidated Schedule of Expenses by Object
For the year ended March 31, 2016

	<i>2016 Budget</i>	<i>2016</i>	<i>2015</i>
Consolidated expenses by object			
Salaries and benefits	3,477,418	3,545,807	3,609,862
Amortization	-	1,643,622	1,641,049
Consultants and contracted services	544,332	753,835	300,708
Social assistance	676,244	664,489	708,581
Telephone and utilities	592,946	597,457	744,034
Tuition	553,900	517,501	420,940
Office and program supplies	426,646	468,915	460,878
Repairs and maintenance	729,086	354,054	476,344
Chief and Council	312,000	312,000	314,500
Travel	243,503	231,342	255,053
Student allowances	172,900	179,944	184,774
Vehicles and fuel	149,317	137,797	186,556
Training and capacity development	182,539	123,648	173,262
Interest	60,044	102,887	115,318
Insurance	90,000	101,089	87,295
Personal credits	60,459	60,459	-
Program expenses	-	54,256	-
National child benefit allowance	50,000	47,000	74,381
Other	46,043	35,820	46,352
Rent	9,000	16,800	8,600
Fire protection	76,503	-	76,642
New paths - parent and community involvement	19,000	-	18,107
Treaty 8 - traditional games	-	-	16,776
IM/IT government capacity development	38,000	-	11,222
IGS P&ID government support	69,000	-	-
Response	53,180	-	-
Education plan design and construction	50,000	-	-
In-home care	12,000	-	-
Write-off of accounts payable	-	-	(294,524)
Change in trust funds	-	(30,204)	(65,348)
Change in business enterprise fund	-	(347,702)	(192,859)
	8,694,060	9,570,816	9,378,503

**Tallcree First Nation
Administration**
Schedule 3 - Schedule of Revenue and Expenses
For the year ended March 31, 2016

	<i>2016 Budget</i>	<i>2016</i>	<i>2015</i>
Revenue			
Indigenous and Northern Affairs Canada			
Band support funding (grant)	497,443	497,443	493,393
Band employee benefits (set)	73,454	73,454	46,127
HR management government capacity development (set)	69,000	69,000	-
Response (set)	52,782	52,782	-
IM/IT government capacity development (set)	38,000	38,000	-
Membership government capacity development (set)	35,000	35,000	-
Pension plan administration (fixed)	21,599	21,599	10,614
Registry events (set)	9,132	9,132	9,132
Basic admin government capacity development (set)	6,500	6,500	9,585
Indian registry administration (fixed)	1,862	1,862	-
Tuition agreement	35,000	-	-
Unexpended prior year amounts owing to INAC	-	-	(4,816)
Consultation funding	134,269	134,269	134,268
Trust interest	312,165	115,742	312,165
GST rebate	-	85,155	-
Government of Alberta - governance development	-	62,501	-
Other revenue	107,937	28,487	25,110
Rental income	-	-	48,000
Deferred revenue - prior year	-	-	131,200
	1,394,143	1,230,926	1,214,778

Continued on next page

**Tallcree First Nation
Administration**
Schedule 3 - Schedule of Revenue and Expenses
For the year ended March 31, 2016

	<i>2016 Budget</i>	<i>2016</i>	<i>2015</i>
Revenue <i>(Continued from previous page)</i>	1,394,143	1,230,926	1,214,778
Expenses			
Consultation	194,134	313,449	97,204
Chief and Council	312,000	312,000	314,500
Salaries and benefits	378,322	305,174	227,027
Band management fees	18,770	97,223	93,403
Travel	81,997	76,111	121,997
Professional fees	75,000	71,896	69,229
Bank charges and interest	60,000	56,726	29,670
Office and supplies	50,000	47,307	159,152
Interest on long-term debt	-	46,117	85,186
Other	15,000	11,820	34,544
Supplies	-	6,983	412
Amortization	-	1,888	2,012
Vehicle	1,500	1,500	-
Band employee benefits	-	-	46,127
Retirement pension	40,000	-	41,024
Fuel	-	-	30,943
IM/IT government capacity development	38,000	-	11,222
Training	-	-	10,186
Registry events	9,132	-	9,133
IGS P&ID government support	69,000	-	-
Response	53,180	-	-
Membership Government Capacity Development	35,000	-	-
Basic Admin Government Capacity Development	6,500	-	-
Write-off of accounts payable	-	-	(234,524)
	1,437,535	1,348,194	1,148,447
Surplus (deficit) before transfers	(43,392)	(117,268)	66,331
Transfers between programs			
Transfer from Health	103,251	113,067	115,096
Transfer from Education	100,000	110,019	177,179
Transfer from Post Secondary Education	-	21,702	21,702
Transfer from Community Services	-	6,861	35,400
Transfer from Cultural Programs	5,500	5,500	-
Transfer from Social Services	-	3,000	-
Transfer from First Nations Development Fund	-	-	6,804
Youth employment strategy administration	-	-	2,503
	208,751	260,149	358,684
Surplus	165,359	142,881	425,015

Tallcree First Nation
Economic Development
Schedule 4 - Schedule of Revenue and Expenses
For the year ended March 31, 2016

	<i>2016 Budget</i>	<i>2016</i>	<i>2015</i>
Revenue			
Indigenous and Northern Affairs Canada			
Economic development designations (set)	124,985	124,985	-
Community economic development program (fixed)	68,752	68,752	68,752
Unexpended funds owing to INAC	-	(24,415)	-
	193,737	169,322	68,752
Expenses			
Economic development designations	124,985	100,570	-
Salaries and benefits	65,803	66,746	67,713
Travel	-	-	2,748
Office and supplies	2,949	-	-
	193,737	167,316	70,461
Surplus (deficit)	-	2,006	(1,709)

Tallcree First Nation
Community Services
Schedule 5 - Schedule of Revenue and Expenses
For the year ended March 31, 2016

	<i>2016</i> <i>Budget</i>	<i>2016</i>	<i>2015</i>
Revenue			
Indigenous and Northern Affairs Canada			
Water (under 1.5M) - truck (fixed)	233,784	233,784	-
Wastewater O&M (fixed)	144,816	206,559	33,616
Water O&M (fixed)	84,433	179,536	84,433
Water systems (fixed)	243,551	148,448	236,841
Education infrastructure design and construction (fixed)	100,000	100,000	-
Planning and skills development - capital (fixed)	100,000	100,000	-
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
Education plan design and construction (fixed)	50,000	50,000	-
Solid waste (fixed)	37,876	37,876	37,876
Wastewater systems (fixed)	96,326	34,583	93,650
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
Water - under \$1.5M (set)	-	-	355,000
Solid waste management (set)	-	-	250,000
A&C lot servicing (under 1.5M) (set)	-	-	250,000
	1,341,622	1,341,622	1,592,252
Capital revenue	16,073	191,625	445,664
Other revenue	175,553	28,498	24,463
Deferred revenue - prior year	-	50,000	50,000
Deferred revenue - current year	-	(50,000)	(50,000)
	1,533,248	1,561,745	2,062,379

Continued on next page

**Tallcree First Nation
Community Services**
Schedule 5 - Schedule of Revenue and Expenses
For the year ended March 31, 2016

	<i>2016 Budget</i>	<i>2016</i>	<i>2015</i>
Revenue <i>(Continued from previous page)</i>	1,533,248	1,561,745	2,062,379
Expenses			
Amortization	-	1,033,979	1,017,114
Salaries and benefits	259,155	351,568	305,654
Utilities	147,266	195,043	148,307
Repairs and maintenance	94,890	188,609	162,708
Consultation	3,250	170,697	15,439
Fuel	51,121	64,448	99,847
Vehicle	44,804	44,804	29,406
Supplies	1,769	44,696	6,333
Insurance	60,000	39,563	25,769
Travel	20,499	18,747	11,066
Training	5,891	5,891	7,249
Office and supplies	4,500	4,689	4,200
Telephone	4,000	3,752	3,709
Water O&M	327,952	-	121,252
Fire protection	76,503	-	76,642
Wastewater O&M	-	-	33,616
Other	-	-	3,104
Professional development	-	-	441
Wastewater project	111,200	-	-
Planning and skills development project	100,000	-	-
Education plan design and construction	50,000	-	-
	1,362,800	2,166,486	2,071,856
Surplus (deficit) before transfers	170,448	(604,741)	(9,477)
Transfers between programs	-	(6,861)	-
Surplus (deficit)	170,448	(611,602)	(9,477)

**Tallcree First Nation
Housing**
Schedule 6 - Schedule of Revenue and Expenses
For the year ended March 31, 2016

	<i>2016 Budget</i>	<i>2016</i>	<i>2015</i>
Revenue			
Indigenous and Northern Affairs Canada			
Major renos, extensions, and repairs (fixed)	438,000	438,000	438,000
Expenses			
Amortization	-	348,894	348,894
Salaries and benefits	239,347	242,780	270,718
Major renovations, extensions, and repairs	187,825	187,823	365,296
Vehicle	9,400	9,380	-
Travel	7,500	7,493	24,199
Telephone	1,200	1,200	800
Meeting	-	-	1,209
	445,272	797,570	1,011,116
Deficit	(7,272)	(359,570)	(573,116)

Tallcree First Nation
Social Services
Schedule 7 - Schedule of Revenue and Expenses
For the year ended March 31, 2016

	<i>2016 Budget</i>	<i>2016</i>	<i>2015</i>
Revenue			
Indigenous and Northern Affairs Canada			
Basic needs (set)	650,024	650,024	683,840
Service delivery (fixed)	123,747	111,747	101,747
National child benefit allowance (set)	50,000	50,000	70,000
Special needs (set)	23,700	23,700	23,700
In-home care (set)	-	12,000	12,000
Child out of parental home allowance (set)	2,520	2,520	200
Unexpended funds received	-	-	30,898
Unexpended funds owing to INAC	-	(27,495)	-
Prior year decommitted funds	-	(31,929)	-
	849,991	790,567	922,385
Other revenue	37,391	41,337	-
Treaty 8	-	-	35,000
	887,382	831,904	957,385
Expenses			
Basic needs	650,024	653,764	683,840
Salaries and benefits	116,803	121,334	152,728
National child benefit allowance	50,000	47,000	74,381
Office and supplies	26,100	25,834	5,178
Training	15,000	11,612	4,776
Special needs	23,700	9,503	23,791
Telephone	8,321	8,321	8,620
Program materials - education	2,522	2,522	2,666
Travel	-	1,757	6,013
Child out of parental home allowance	2,520	1,222	950
Supplies	-	159	-
In-home care	12,000	-	-
	906,990	883,028	962,943
Deficit before transfers	(19,608)	(51,124)	(5,558)
Transfers between programs	-	(3,000)	-
Deficit	(19,608)	(54,124)	(5,558)

Tallcree First Nation
Education
Schedule 8 - Schedule of Revenue and Expenses
For the year ended March 31, 2016

	<i>2016</i> <i>Budget</i>	<i>2016</i>	<i>2015</i>
Revenue			
Indigenous and Northern Affairs Canada			
Instructional services (fixed)	733,965	900,769	808,795
Tuition agreement (set)	491,936	502,839	476,148
Schools O&M (fixed)	442,634	442,634	456,900
Band operated schools (set)	231,500	238,340	217,550
Student transportation (fixed)	104,292	104,292	104,292
Guidance and counselling (fixed)	45,000	45,000	22,500
Enhanced teacher salaries (set)	37,234	36,895	38,253
Low cost special education (fixed)	18,900	18,810	20,700
Ancillary support (fixed)	-	13,475	-
New paths - teacher retention and recruitment (set)	13,000	12,500	10,500
New paths - parent and community involvement (set)	20,000	11,460	18,000
New paths - capacity development (set)	10,000	10,300	13,700
Fit up education facility (fixed)	8,000	7,680	8,600
New paths - improving school effectiveness (set)	4,127	3,585	3,185
Major renos, extensions, and repairs	-	-	64,182
Band operated schools - evaluation	-	-	34,320
Prior year INAC funding	-	24,180	-
Unexpended amounts owing to INAC	-	(33,669)	(84,079)
	2,160,588	2,339,090	2,213,546
First Nation Student Success Program	190,000	176,970	157,650
Other revenue	-	61,126	7,684
Rental income	41,800	44,825	35,200
Hot lunch program revenue	30,000	39,000	26,785
Treaty 8	28,193	28,193	25,035
Deferred revenue - prior year	-	-	39,793
	2,450,581	2,689,204	2,505,693

Continued on next page

Tallcree First Nation
Education
Schedule 8 - Schedule of Revenue and Expenses
For the year ended March 31, 2016

	<i>2016 Budget</i>	<i>2016</i>	<i>2015</i>
Revenue <i>(Continued from previous page)</i>	2,450,581	2,689,204	2,505,693
Expenses			
Salaries and benefits	1,499,840	1,532,320	1,373,911
Tuition	489,900	468,762	357,069
Utilities	198,000	154,482	174,344
Repairs and maintenance	152,000	123,191	119,753
Band employee benefits	-	77,380	69,454
Supplies	27,000	75,557	16,443
Program expenses	-	54,256	-
Hot lunch program expenses	39,000	39,098	20,915
Travel	26,500	30,822	19,286
Insurance	30,000	30,763	30,763
Professional development	4,000	29,048	33
Office and supplies	13,000	16,304	14,601
Telephone	16,000	12,976	14,983
Fuel	10,000	9,576	11,685
Training	20,500	6,638	8,721
Amortization	-	4,149	19,794
Other	3,000	1,745	-
First Nation Student Success Program	78,000	-	234,392
Band operated schools - evaluation	-	-	34,495
Youth employment strategy	28,193	-	25,433
New paths - parent and community involvement	19,000	-	18,107
Treaty 8 - traditional games	-	-	16,776
New paths - capacity development	10,300	-	14,258
New paths - teacher retention and recruitment	12,500	-	10,570
New paths - improving school effectiveness	3,585	-	3,955
Furniture and equipment	-	-	3,116
	2,680,318	2,667,067	2,612,857
Surplus (deficit) before transfers	(229,737)	22,137	(107,164)
Transfers between programs			
Transfer to administration	(100,000)	(110,019)	(177,179)
Youth employment strategy administration	-	-	(2,503)
	(100,000)	(110,019)	(179,682)
Deficit	(329,737)	(87,882)	(286,846)

Tallcree First Nation
Post Secondary Education
Schedule 9 - Schedule of Revenue and Expenses
For the year ended March 31, 2016

	<i>2016 Budget</i>	<i>2016</i>	<i>2015</i>
Revenue			
Indigenous and Northern Affairs Canada Post secondary (fixed)	217,015	217,015	217,015
Expenses			
Student allowances	112,000	119,044	118,782
Tuition	64,000	48,739	63,871
Books and scholarships	21,000	15,212	8,703
Travel	3,000	9,024	3,787
Office and supplies	17,000	394	-
	217,000	192,413	195,143
Surplus before transfers	15	24,602	21,872
Transfers between programs	-	(21,702)	(21,702)
Surplus	15	2,900	170

Tallcree First Nation
Human Resources Development
Schedule 10 - Schedule of Revenue and Expenses
For the year ended March 31, 2016

	<i>2016 Budget</i>	<i>2016</i>	<i>2015</i>
Revenue			
Human Resources and Skills Development Canada			
HRSDC – Labour market - CRF	153,121	153,121	153,121
HRSDC – Youth	97,532	97,532	87,935
HRSDC – Labour market – EI	59,179	59,179	59,133
	309,832	309,832	300,189
Other revenue	-	-	1,770
	309,832	309,832	301,959
Expenses			
Salaries and benefits	102,442	103,911	104,721
Training	58,419	63,755	105,112
Student allowances	60,900	60,900	65,992
Travel	61,685	56,348	35,617
Repairs and maintenance	18,452	18,452	5,500
Supplies	18,359	18,359	2,654
Rent	9,000	9,000	8,600
Utilities	4,721	4,721	4,175
Amortization	-	4,474	4,474
Telephone	4,225	4,225	3,979
Office and supplies	1,718	1,718	478
Other	1,500	1,500	-
Meeting	-	-	398
Furniture and equipment	-	-	195
Write-off of accounts payable	-	-	(60,000)
	341,421	347,363	281,895
Surplus (deficit)	(31,589)	(37,531)	20,064

**Tallcree First Nation
Health**

Schedule 11 - Schedule of Revenue and Expenses
For the year ended March 31, 2016

	<i>2016 Budget</i>	<i>2016</i>	<i>2015</i>
Revenue			
Health Canada			
Health Canada	1,122,165	1,122,165	1,120,752
Prior year funding recovery	-	-	(40,995)
	1,122,165	1,122,165	1,079,757
Other revenue	40,279	48,696	38,977
	1,162,444	1,170,861	1,118,734
Expenses			
Salaries and benefits	685,205	744,597	671,328
Materials	203,926	170,026	200,909
Travel	42,322	31,039	30,340
Insurance	-	30,763	30,763
Amortization	-	24,414	24,414
Telephone	14,487	18,012	17,847
Office and supplies	11,787	14,190	18,083
Repairs and maintenance	24,592	8,699	33,515
Vehicle	32,493	8,090	13,677
Rent	-	7,800	-
Utilities	6,901	6,901	1,976
Training	1,816	6,089	9,399
Other	5,543	5,543	-
Supplies	7,016	1,078	-
Professional development	12,396	614	-
	1,048,484	1,077,855	1,052,251
Surplus before transfers	113,960	93,006	66,483
Transfers between programs	(103,251)	(113,067)	(115,096)
Surplus (deficit)	10,709	(20,061)	(48,613)

Tallcree First Nation
First Nations Development Fund
Schedule 12 - Schedule of Revenue and Expenses
For the year ended March 31, 2016

	<i>2016 Budget</i>	<i>2016</i>	<i>2015</i>
Revenue			
First Nations Development Fund	424,519	568,546	583,799
Investment income	263	263	266
Deferred revenue - prior year	-	138,807	256,927
Deferred revenue - current year	-	(138,807)	(138,807)
	424,782	568,809	702,185
Expenses			
Amortization	-	225,824	224,346
Repairs and maintenance	-	15,103	-
Bank charges and interest	44	44	461
Vehicle	-	-	998
Furniture and equipment	-	-	3,936
	44	240,971	229,741
Surplus before transfers	424,738	327,838	472,444
Transfers between programs	-	-	(6,804)
Surplus	424,738	327,838	465,640

Tallcree First Nation
Cultural Programs
Schedule 13 - Schedule of Revenue and Expenses
For the year ended March 31, 2016

	<i>2016 Budget</i>	<i>2016</i>	<i>2015</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 - Consolidated Schedule of Revenue and Expenses
For the year ended March 31, 2016

	<i>2016 Budget</i>	<i>2016</i>	<i>2015</i>
Expenses			
Change in trust funds	-	(30,204)	(65,348)
Change in business enterprise fund	-	(347,702)	(192,859)
Surplus before other items	-	377,906	258,207
Other expense			
Impairment of advances to business enterprises <i>(Note 5)</i>	-	(97,752)	-
Surplus	-	280,154	258,207