

T'it'q'et Administration
Consolidated Financial Statements
March 31, 2018

T'it'q'et Administration
Contents
For the year ended March 31, 2018

	Page
Management's Responsibility	
Independent Auditors' Report	
Consolidated Financial Statements	
Consolidated Statement of Financial Position.....	1
Consolidated Statement of Operations and Accumulated Surplus.....	2
Consolidated Statement of Remeasurement Gains and Losses.....	3
Consolidated Statement of Change in Net Debt.....	4
Consolidated Statement of Cash Flows.....	5
Notes to the Consolidated Financial Statements	6
Schedule 1 - Consolidated Schedule of Tangible Capital Assets.....	15
Schedule 2 - Consolidated Schedule of Expenses by Object.....	16
Schedule 3 - Schedule of Revenue and Expenses - Administration.....	17
Schedule 4 - Schedule of Revenue and Expenses - Public Works.....	18
Schedule 5 - Schedule of Revenue and Expenses - Housing.....	19
Schedule 6 - Schedule of Revenue and Expenses - Community and Human Services.....	20
Schedule 7 - Schedule of Revenue and Expenses - Education.....	21
Schedule 8 - Schedule of Revenue and Expenses - Resources.....	22
Schedule 9 - Schedule of Revenue and Expenses - Taxation	23

Management's Responsibility

To the Members of T'it'q'et Administration

The accompanying consolidated financial statements of T'it'q'et Administration 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 T'it'q'et Administration Council is responsible for overseeing management in the performance of its financial reporting responsibilities, and for approving the consolidated financial statements. The Council fulfils these responsibilities by reviewing the financial information prepared by management and discussing relevant matters with management and external auditors. The Council is also responsible for recommending the appointment of the First Nation's external auditors.

MNP LLP is appointed by 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 Council and management to discuss their audit findings.

July 26, 2018



Chief



Councillor

Independent Auditors' Report

To the Members of T'it'q'et Administration:

We have audited the accompanying consolidated financial statements of T'it'q'et Administration, which comprise the consolidated statement of financial position as at March 31, 2018, and the consolidated statements of operations, remeasurement gains and losses, changes in net debt and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of 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 audit opinion.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of T'it'q'et Administration as at March 31, 2018 and the results of its operations (including remeasurement gains and losses), changes in net debt and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Other Matter

The consolidated financial statements of T'it'q'et Administration for the year ended March 31, 2017 were audited by Anton, Bryson & Schindler Chartered Professional Accountants LLP of Nanaimo, Canada, prior to its merger with MNP LLP. Anton, Bryson & Schindler Chartered Professional Accountants LLP expressed an unmodified opinion on those statements on July 28, 2017.

Nanaimo, British Columbia

July 26, 2018

MNP LLP

Chartered Professional Accountants

T't'q'et Administration
Consolidated Statement of Financial Position
As at March 31, 2018

	2018	2017
Financial assets		
Cash and cash equivalents	974,590	998,679
Accounts receivable (Note 3)	2,241,875	2,001,072
Portfolio investments (Note 4)	1,194,822	1,196,165
Funds held in trust (Note 5)	59,945	57,575
Restricted cash (Note 6)	844,950	814,635
Total financial assets	5,316,182	5,068,126
Liabilities		
Accounts payable and accruals	177,686	477,150
Deferred revenue (Note 7)	20,000	20,000
Long-term debt (Note 8)	9,002,967	9,437,458
Total financial liabilities	9,200,653	9,934,608
Net debt	(3,884,471)	(4,866,482)
Contingencies (Note 9)		
Non-financial assets		
Tangible capital assets (Schedule 1)	13,611,318	14,368,987
Prepaid expenses	309	91,436
Total non-financial assets	13,611,627	14,460,423
Accumulated surplus	9,727,156	9,593,941
Accumulated surplus is comprised of:		
Accumulated surplus	9,582,524	9,417,566
Accumulated remeasurement gains	144,632	176,375
	9,727,156	9,593,941

Approved on behalf of the Council



Chief



Councillor

T'i't'q'et Administration
Consolidated Statement of Operations and Accumulated Surplus
For the year ended March 31, 2018

	<i>Schedules</i>	<i>2018 Budget (Note 11)</i>	<i>2018</i>	<i>2017</i>
Revenue				
Indigenous Services Canada		1,611,739	2,323,279	1,961,133
Fisheries and Oceans Canada		-	17,500	17,500
Canada Mortgage and Housing Corporation				
Non-profit on-reserve housing		225,772	206,746	213,763
Home adaptations for seniors independence program		-	60,726	-
Shelter enhancement program		-	-	21,056
First Nations Health Authority		464,127	701,810	571,009
Other revenue		914,439	1,372,896	774,244
GST and Sales Tax rebates		-	9,562	11,746
BC Hydro		-	23,010	163,551
Trust allocation		-	393,149	384,845
ASETS		-	45,476	28,812
WOP		4,068	5,642	3,256
Rental income		466,286	713,800	686,797
Investment income		-	90,036	79,739
Taxation		84,000	211,249	193,004
Allocation to replacement reserve		-	56,474	60,067
Province of BC		-	119,000	-
Administration fees		-	218,438	185,827
Total revenue		3,770,431	6,568,793	5,356,349
Program expenses				
Administration	3	915,591	2,187,561	1,858,940
Public Works	4	1,089,822	1,872,232	1,640,432
Housing	5	516,208	518,752	539,632
Community and Human Services	6	1,011,025	1,097,591	1,113,069
Education	7	263,462	528,098	422,508
Resources	8	45,157	76,558	135,737
Taxation	9	-	123,043	107,617
Total expenses		3,841,265	6,403,835	5,817,935
Annual surplus (deficit)		(70,834)	164,958	(461,586)
Accumulated surplus, beginning of year		9,417,566	9,417,566	9,879,152
Accumulated surplus, end of year		9,346,732	9,582,524	9,417,566

T'it'q'et Administration
Consolidated Statement of Remeasurement Gains and Losses
For the year ended March 31, 2018

	2018	2017
Accumulated remeasurement gains, beginning of year	176,375	238,602
Unrealized gains (losses) attributable to Portfolio investments	(31,743)	(62,227)
Accumulated remeasurement gains, end of year	144,632	176,375

T'i't'q'et Administration
Consolidated Statement of Change in Net Debt
For the year ended March 31, 2018

	<i>2018 Budget (Note 11)</i>	<i>2018</i>	<i>2017</i>
Annual surplus (deficit)	(70,834)	164,958	(461,586)
Purchases of tangible capital assets	-	(35,000)	-
Amortization of tangible capital assets	268,878	792,669	833,792
	268,878	757,669	833,792
Acquisition of prepaid expenses	-	-	(77,973)
Use of prepaid expenses	-	91,127	-
Change in remeasurement gains (losses) for the year	-	(31,743)	(62,227)
	-	59,384	(140,200)
Decrease in net debt	198,044	982,011	232,006
Net debt, beginning of year	(4,886,478)	(4,866,482)	(5,098,484)
Net debt, end of year	(4,688,434)	(3,884,471)	(4,866,478)

The accompanying notes are an integral part of these financial statements

T'it'q'et Administration
Consolidated Statement of Cash Flows
For the year ended March 31, 2018

	2018	2017
Cash provided by (used for) the following activities		
Operating activities		
Annual surplus (deficit)	164,958	(461,586)
Non-cash items		
Amortization	792,669	833,792
Increase in funds held in trust	(2,370)	(2,152)
	955,257	370,054
Changes in working capital accounts		
Accounts receivable	(240,803)	152,858
Prepaid expenses	91,127	(77,973)
Accounts payable and accruals	(299,464)	134,716
Marketable securities	(30,400)	(47,405)
Restricted cash	(30,315)	(81,779)
	445,402	450,471
Financing activities		
Repayment of long-term debt	(434,491)	(2,233,048)
Capital activities		
Purchases of tangible capital assets	(35,000)	-
Decrease in cash resources	(24,089)	(1,782,577)
Cash resources, beginning of year	998,679	2,781,256
Cash resources, end of year	974,590	998,679

T'tit'q'et Administration
Notes to the Consolidated Financial Statements
For the year ended March 31, 2018

1. Operations

The T'tit'q'et Administration (the "First Nation") is located in the province of British Columbia, and provides various services to its members. T'tit'q'et Administration includes the First Nation's members, government and all related entities that are accountable to the First Nation and are either owned or controlled by the First Nation.

2. Significant accounting policies

These consolidated financial statements are the representations of management, prepared in accordance with Canadian public sector accounting standards and including the following significant accounting policies:

Reporting entity

The financial statements consolidate the financial activities of all entities and departments comprising the First Nation reporting entity, except for First Nation business entities.

The First Nation has consolidated the assets, liabilities, revenue and expenses of the following entities and departments:

- Operating Fund
- Trust Fund
- Social Housing Fund
- Capital Fund

All inter-entity balances have been eliminated on consolidation; however, transactions between departments have not been eliminated in order to present the results of operations for each specific department.

T'tit'q'et Administration 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 financial statements using the modified equity method. 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. Entities accounted for by the modified equity basis include:

- T'tit'q'et Economic Development Authority.

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.

Cash and cash equivalents

Cash and cash equivalent include balances with banks and short-term investments with maturities of three months or less. Cash subject to restrictions that prevent its use for current purposes is included in restricted cash.

Tangible capital assets

Tangible capital assets are initially recorded at cost less amortization. Contributed tangible assets are recorded at their fair value at the date of contribution.

All intangible assets and items inherited by the right of the Nation, such as reserve land, forests, water and mineral resources, are not recognized in the Nation's consolidated financial statements.

Amortization

Amortization for tangible capital assets is provided using the following methods at rates intended to amortize the cost of the assets over their estimated useful lives:

	<i>Method</i>	<i>Rate</i>
Buildings	declining balance	5 %
Equipment	declining balance	20 %
Infrastructure	declining balance	5 %
Motor vehicles	declining balance	20 %

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

Portfolio investments

Marketable securities with prices quoted in an active market are measured at fair value while those that are not quoted in an active market are measured at cost less impairment. Changes in fair value are recorded in the statement of remeasurement gains (losses).

Funds held in Ottawa Trust Fund

Funds held in trust on behalf of First Nation members by the Government of Canada in the Ottawa Trust Fund are reported on the statement of financial position with an offsetting amount in accumulated operating surplus. Trust monies consist of:

- Capital trust monies derived from non-renewable resource transactions on the sale of land or other First Nation tangible capital assets; and
- Revenue trust monies generated primarily through land leasing transactions or interest earned on deposits held in trust.

Long-lived assets

Long-lived assets consist of tangible capital assets with finite useful lives. 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. Impairment losses are recognized when asset's service potential is reduced. Impairment is measured as the amount by which the asset's carrying amount exceeds its fair value. Any impairment is included in surplus for the year. Prices for similar items are used to measure fair value of long-lived assets.

The First Nation does not perform impairment testing on its long-lived assets that are held for public administration and situated on its reserve land as it is not possible to determine their fair market value.

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.

Liability for contaminated site

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, 2018.

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. As at March 31, 2018, no liability for contaminated site exists.

Net debt

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

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

Revenue recognition

- i) **Government Funding**
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.
- ii) **First Nation Capital and Revenue Trust Funds**
The First Nation recognizes revenue of the Capital and Revenue Trust Fund at the time funds are contributed from the accounts held in Ottawa. Interest revenue is recognized when earned.
- iii) **Canada Mortgage and Housing Corporation ("CMHC")**
CMHC revenue is recognized as it becomes receivable under the terms of the applicable funding agreements. Funding received under funding arrangements that relate to a subsequent fiscal period are reflected as deferred revenue on the consolidated statement of financial position in the year of receipt.
- iv) **Housing rental income**
Rental revenue is recorded in the year it is earned. At the end of each year management evaluates whether rent revenue is collectible and records a bad debt expense and allowance for doubtful accounts for those amounts designated as unlikely to be collected.
- v) **Own source and other revenue**
Own source and other revenue is recognized when performance is completed, amounts are measurable and collection is reasonably assured.
- vi) **Investment income**
Investment income is recognized by the First Nation when investment income is earned.

Measurement uncertainty

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.

Accounts receivable are stated after evaluation as to their collectibility and an appropriate allowance for doubtful accounts is provided where considered necessary. Amortization is based on the estimated useful lives of tangible capital assets. Liabilities for contaminated sites are based on the best information available regarding potentially contaminated sites that the First Nation is responsible for.

These estimates are reviewed periodically and, as adjustments become necessary, they are reported in surplus (deficit) in the periods in which they become known.

Segments

The First Nation conducts its business through a number of reportable segments as described in Note 10. 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.

The accounting policies used in these segments are consistent with those followed in the preparation of the consolidated financial statements.

T'it'q'et Administration
Notes to the Consolidated Financial Statements
For the year ended March 31, 2018

3. Accounts receivable

	2018	2017
CMHC subsidy assistance receivable	17,123	17,540
Rent receivable	43,487	42,491
Loans receivable	1,058,801	1,088,928
Other accounts receivable	1,130,144	859,793
	2,249,555	2,008,752
Less: Allowance for doubtful accounts	7,680	7,680
	2,241,875	2,001,072

4. Portfolio investments

	2018	2017
Measured at cost:		
Investment - FNHA	101,278	99,344
Measured at fair value:		
Marketable securities	1,093,544	1,096,821
	1,194,822	1,196,165

5. Funds held in trust

Ottawa Trust Funds

The Ottawa Trust accounts arise from monies derived from capital or revenue sources as outlined in Section 62 of the Indian Act. These funds are held in trust in the Consolidated Revenue Fund of the Government of Canada and are subject to audit by the Office of the Auditor General of Canada. The management of these funds is primarily governed by Sections 63 to 69 of the Indian Act.

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

	2018	2017
Capital Trust		
Balance, beginning of year	18,900	18,900
Balance, end of year	18,900	18,900
Revenue Trust		
Balance, beginning of year	38,675	36,432
Interest	2,370	2,243
Balance, end of year	41,045	38,675
Combined total	59,945	57,575

T'it'q'et Administration
Notes to the Consolidated Financial Statements
For the year ended March 31, 2018

6. Restricted cash

Under the terms of the agreement with Canada Mortgage and Housing Corporation ("CMHC"), the replacement reserve account is to be credited annually. These funds, along with accumulated interest, must be held in a separate bank account and/or invested only in accounts or instruments insured by the Canada Deposit Insurance Corporation or as may otherwise be approved by CMHC from time to time. The funds in the account may only be used as approved by CMHC. At year end, these reserves were over-funded.

Restricted cash is comprised of the following:

	2018	2017
Replacement reserve	612,251	587,186
FNFA Debt reserve fund	232,702	227,447

7. Deferred revenue

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>Allocated to revenue</i>	<i>Balance, end of year</i>
NOHRA	20,000	-	20,000

8. Long-term debt

	2018	2017
BMO loan bearing interest at 4.25% per annum, repayable in blended monthly payments of \$11,315, maturing October 2037 and secured by a mortgage	2,751,144	2,840,258
FNFA loan bearing interest at 0.9% per annum, repayable in blended monthly payments of \$6,090, maturing December 2022 and secured by a mortgage	4,332,345	4,429,060
ANTC loan bearing interest at 1.31% per annum, repayable in blended monthly payments of \$942, maturing 2022 and secured by a mortgage	52,043	62,595
ANTC loan bearing interest at 1.7% per annum, repayable in blended monthly payments of \$1,122, maturing 2019 and secured by a mortgage	22,116	35,113
ANTC loan bearing interest at 1.67% per annum, repayable in blended monthly payments of \$1,452, maturing 2018 and secured by a mortgage	2,897	20,102
ANTC loan bearing interest at 1.01% per annum, repayable in blended monthly payments of \$1,634, maturing 2021 and secured by a mortgage	54,758	73,716
ANTC loan bearing interest at 1.31% per annum, repayable in blended monthly payments of \$2,376, maturing 2022 and secured by a mortgage	131,255	157,866
ANTC loan bearing interest at 1.67% per annum, repayable in blended monthly payments of \$1,652, maturing 2033 and secured by a mortgage	264,228	279,512
ANTC loan bearing interest at 1.85% per annum, repayable in blended monthly payments of \$2,282, maturing 2034 and secured by a mortgage	387,720	407,761
ANTC loan bearing interest at 1.97% per annum, repayable in blended monthly payments of \$2,324, maturing 2037 and secured by a mortgage	456,254	475,684

T'it'q'et Administration
Notes to the Consolidated Financial Statements
For the year ended March 31, 2018

8. Long-term debt *(Continued from previous page)*

	2018	2017
ANTC loan bearing interest at 1.39% per annum, repayable in blended monthly payments of \$1,967, maturing 2040 and secured by a mortgage	451,730	468,945
ANTC loan bearing interest at 1.71% per annum, repayable in blended monthly payments of \$1,779, maturing 2017 and secured by a mortgage	-	8,873
ANTC loan bearing interest at 1.11% per annum, repayable in blended monthly payments of \$4,259, maturing 2018 and secured by a mortgage	8,508	59,229
ANTC loan bearing interest at 1.92% per annum, repayable in blended monthly payments of \$1,555, maturing 2022 and secured by a mortgage	71,824	88,937
ANTC loan bearing interest at 1.02% per annum, repayable in blended monthly payments of \$1,160, maturing 2019 and secured by a mortgage	16,144	29,806
	9,002,966	9,437,457

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

	Principal
2019	253,901
2020	218,667
2021	220,326
2022	211,377
2023	206,267
	1,110,538
Thereafter	7,892,428

9. Contingencies

The financial results of the CMHC Social Housing program are subject to review by CMHC. It is possible that adjustments could be made based on the results of their review.

10. Segments

The Nation receives revenue and incurs expenses from many different projects and sources. For management and reporting purposes, the revenue, expenses and surplus or deficits are organized by the following segments:

Administration:

Includes general operations, support, and financial management of the Nation.

Education:

Includes revenue and expenses related to primary, secondary and post secondary education of the members of the Nation

Public Works:

Includes revenue and expenditures related to capital projects.

Community and Human Services:

Includes revenue and expenditures related to the social assistance and health services to the members of the Nation.

Housing:

Includes revenue and expenses related to band owned and social housing of the members of the Nation.

Resources:

Includes revenue and expenses related to conservation and stewardship of the Nation's land and resource

Taxation:

Includes revenue and expenses related to T'it'q'et Taxation Authority

11. Budget Information

The disclosed budget information has been approved by the Chief and Council of the T'it'q'et Administration on May 15, 2017. Budget information was not prepared for the full scope of activities performed by the First Nation for the year ended March 31, 2018. Budget information was not prepared, available or approved for several departments.

12. Comparative figures

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

13. Economic dependence

T'it'q'et Administration receives a significant portion of its revenue from Indigenous and Idigenous Services Canada (ISC) as a result of Treaties entered into with the Government of Canada. These treaties are administered by INAC 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.

14. Change in accounting policies

PS 2200 Related Party Disclosures and PS 3420 Inter-Entity Transactions

Effective April 1, 2017, the First Nation adopted the recommendations relating to PS 2200 Related Party Disclosures and PS 3420 Inter-Entity Transactions, as set out in the CPA Canada Public Sector Accounting Handbook. Pursuant to the recommendations, the changes were applied prospectively, and prior periods have not been restated.

These new Sections define a related party and establish disclosures required for related party transactions. Disclosure is required when related party transactions have occurred at a value different from that which would have been arrived at if the parties were unrelated, and they have, a material financial effect on the financial statements. They also establish standards on how to account for and report transactions between public sector entities that comprise a government's reporting entity from both a provider and recipient perspective.

There was no material impact on the consolidated financial statements of adopting the new Sections.

PS 3210 Assets, PS 3320 Contingent Assets and PS 3380 Contractual Rights

Effective April 1, 2017, the First Nation adopted the recommendations relating to PS 3210 Assets, PS 3320 Contingent Assets, and PS 3380 Contractual Rights, as set out in the CPA Canada Public Sector Accounting Handbook. Pursuant to the recommendations, the changes were applied prospectively, and prior periods have not been restated.

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.

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 Section 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.

There was no material impact on the consolidated financial statements of adopting the new Sections.

T'it'q'et Administration
Notes to the Consolidated Financial Statements
For the year ended March 31, 2018

15. Investments in First Nation business entities

The First Nation has investments in the following entities:

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>T'it'q'et Economic Development Authority As at March 31, 2018</i>
Assets	
Cash	380
Accounts receivable	37,954
Property, plant and equipment	45,091
Total assets	83,425
Liabilities	
Accounts payable and accruals	9,712
Long-term debt	224,301
Total liabilities	234,013
	(150,588)
Total revenue	121,269
Total expenses	145,056
	(23,787)
Comprehensive loss	(23,787)

The financial statements of T'it'q'et Economic Development Authority have not been audited.

T'it'q'et Administration
Schedule 1 - Consolidated Schedule of Tangible Capital Assets
For the year ended March 31, 2018

	Land and improvements	Buildings	Infrastructure	Equipment	Motor Vehicles	2018	2017
Cost							
Balance, beginning of year	824,118	18,128,861	3,727,547	608,112	317,583	23,606,221	23,606,221
Acquisition of tangible capital assets	-	-	-	-	35,000	35,000	-
Balance, end of year	824,118	18,128,861	3,727,547	608,112	352,583	23,641,221	23,606,221
Accumulated amortization							
Balance, beginning of year	-	6,254,066	2,112,319	565,249	305,600	9,237,234	8,403,442
Annual amortization	-	694,490	80,761	8,573	8,845	792,669	833,792
Balance, end of year	-	6,948,556	2,193,080	573,822	314,445	10,029,903	9,237,234
Net book value of tangible capital assets	824,118	11,180,305	1,534,467	34,290	38,138	13,611,318	14,368,987
2017 Net book value of tangible capital assets	824,118	11,874,795	1,615,228	42,863	11,983	14,368,987	

T'it'q'et Administration
Schedule 2 - Consolidated Schedule of Expenses by Object
For the year ended March 31, 2018

	<i>2018 Budget (Note 11)</i>	<i>2018</i>	<i>2017</i>
Consolidated expenses by object			
Administration	137,687	260,157	216,579
Amortization	268,878	792,669	833,792
Allocation to replacement reserve	51,008	56,474	60,067
Bank charges and interest	-	12,316	1,780
Community donations	1,500	119,565	95,132
Contracted services	73,002	619,789	442,503
GST and Sales tax	-	2,294	2,819
Health	98,237	9,099	5,421
Honoraria(um)	66,650	139,095	135,353
Insurance	74,540	93,434	99,609
Interest on long-term debt	256,930	271,239	294,206
Miscellaneous	-	8,897	1,580
National child benefit - projects	-	36,493	36,339
Office supplies and expenses	51,531	99,739	118,032
Postage	-	5,166	5,270
Professional fees	72,000	66,090	79,831
Program education	-	25,656	41,422
Program expense	-	255,519	171,368
Property tax	-	5,823	-
Rent and utilities	410,044	279,538	232,475
Repairs and maintenance	388,908	752,212	668,535
Materials	147,106	146,447	121,979
Salaries and benefits	954,446	1,379,616	1,252,575
Social assistance	383,775	417,258	410,766
Student expenses	85,000	47,275	62,266
Telephone	32,568	35,799	39,571
Training	12,810	66,718	77,862
Travel	177,271	224,726	186,950
Tuition	96,875	166,613	122,564
Elders fees	-	7,200	-
Advertising	500	921	1,287
	3,841,266	6,403,837	5,817,933

T'it'q'et Administration
Administration

Schedule 3 - Schedule of Revenue and Expenses and Accumulated Surplus (Deficit)

For the year ended March 31, 2018

	<i>2018 Budget (Note 11)</i>	<i>2018</i>	<i>2017</i>
Revenue			
Indigenous Services Canada	316,318	394,821	435,302
Other revenue	416,190	1,091,118	575,371
GST and Sales Tax rebates	-	9,562	11,746
BC Hydro	-	23,010	163,551
Trust allocation	-	393,149	384,845
ASETS	-	-	13,106
WOP	4,068	5,642	2,292
Rental income	105,214	296,181	258,837
Investment income	-	85,610	78,453
Administration fees	-	208,718	176,477
First Nations Health Authority	-	82,802	-
Taxation	25,000	27,000	-
Province of BC	-	19,000	-
Total revenue	866,790	2,636,613	2,099,980
Expenses			
Administration	26,307	94,169	87,938
Bank charges and interest	-	10,968	427
Contracted services	92,859	252,347	175,952
GST and Sales tax	-	2,294	2,819
Honoraria(um)	55,400	136,943	135,003
Insurance	12,100	38,958	36,606
Interest on long-term debt	17,530	140,449	90,040
Office supplies and expenses	46,200	87,782	108,998
Postage	-	5,166	5,270
Professional fees	47,000	45,494	48,348
Program education	-	25,656	41,422
Rent and utilities	88,320	131,808	95,037
Repairs and maintenance	40,053	215,323	126,492
Materials	78,000	99,354	62,921
Salaries and benefits	327,311	672,820	525,829
Telephone	23,188	26,677	32,860
Training	9,375	34,109	45,853
Travel	50,448	116,755	107,280
Advertising	-	617	1,287
Community donations	1,500	100	-
Miscellaneous	-	5,240	-
Program expense	-	44,532	128,558
Total expenses	915,591	2,187,561	1,858,940
Annual surplus (deficit)	(48,801)	449,052	241,040
Accumulated surplus, beginning of year	-	3,618,712	5,275,177
Transfer between departments	-	(388,738)	(395,816)
Principal payments on long-term debt	-	(135,394)	(1,501,689)
Accumulated surplus (deficit), end of year	(48,801)	3,543,632	3,618,712

T'it'q'et Administration
Public Works

Schedule 4 - Schedule of Revenue and Expenses and Accumulated Surplus (Deficit)

For the year ended March 31, 2018

	<i>2018 Budget (Note 11)</i>	<i>2018</i>	<i>2017</i>
Revenue			
Indigenous Services Canada	617,687	843,008	545,819
Canada Mortgage and Housing Corporation			
Shelter enhancement program	-	-	21,056
Other revenue	395,149	135,623	8,362
Rental income	69,933	128,832	106,638
Taxation	59,000	59,000	69,280
Administration fees	-	1,649	1,318
Province of BC	-	100,000	-
Total revenue	1,141,769	1,268,112	752,473
Expenses			
Administration	18,500	18,500	6,400
Amortization	-	544,006	570,155
Bank charges and interest	-	1,347	1,353
Contracted services	16,500	260,927	186,101
Honoraria(um)	11,250	2,153	150
Insurance	26,514	18,270	30,892
Interest on long-term debt	201,500	98,648	162,898
Office supplies and expenses	2,386	5,216	9,838
Professional fees	17,000	7,446	1,817
Rent and utilities	269,837	89,891	74,237
Repairs and maintenance	206,505	416,071	394,860
Materials	50,336	19,844	26,047
Salaries and benefits	239,314	182,575	156,282
Telephone	4,680	1,055	357
Travel	24,000	7,739	435
Program expense	-	191,977	18,610
Property tax	-	5,823	-
Training	1,500	693	-
Advertising	-	51	-
Total expenses	1,089,822	1,872,232	1,640,432
Annual surplus (deficit)	51,947	(604,120)	(887,959)
Accumulated surplus, beginning of year	-	4,882,441	3,911,570
Transfer between departments	-	387,220	357,141
Principal payments on long-term debt	-	135,394	1,501,689
Accumulated surplus, end of year	51,947	4,800,935	4,882,441

**T'it'q'et Administration
Housing**

Schedule 5 - Schedule of Revenue and Expenses and Accumulated Surplus (Deficit)

For the year ended March 31, 2018

	2018 Budget (Note 11)	2018	2017
Revenue			
Canada Mortgage and Housing Corporation			
Non-profit on-reserve housing	211,322	206,746	213,763
Home adaptations for seniors independence program	-	60,726	-
Rental income	291,139	286,261	319,959
Investment income	-	4,341	1,192
Allocation to replacement reserve	-	56,474	60,067
Other revenue	12,600	9,058	-
Total revenue	515,061	623,606	594,981
Expenses			
Administration	50,149	50,149	50,044
Amortization	268,878	248,663	263,637
Allocation to replacement reserve	51,008	56,474	60,067
Insurance	34,270	33,354	29,286
Interest on long-term debt	37,900	32,141	41,268
Office supplies and expenses	-	-	(6,000)
Professional fees	8,000	7,550	7,550
Repairs and maintenance	66,003	90,421	93,780
Total expenses	516,208	518,752	539,632
Annual surplus (deficit)	(1,147)	104,854	55,349
Accumulated surplus, beginning of year	-	735,310	679,961
Transfer between departments	-	(79)	-
Accumulated surplus (deficit), end of year	(1,147)	840,085	735,310

T'it'q'et Administration
Community and Human Services

Schedule 6 - Schedule of Revenue and Expenses and Accumulated Surplus (Deficit)
For the year ended March 31, 2018

	2018 <i>Budget (Note 11)</i>	2018	2017
Revenue			
Indigenous Services Canada	445,538	619,535	597,962
First Nations Health Authority	464,127	619,008	571,009
Other revenue	55,146	11,657	30,487
Rental income	-	2,526	1,363
Administration fees	-	8,072	8,032
Total revenue	964,811	1,260,798	1,208,853
Expenses			
Administration	42,731	79,129	53,862
Contracted services	2,451	59,134	20,367
Health	57,974	9,099	5,421
Honoraria(um)	-	-	200
Insurance	1,656	1,721	1,695
Miscellaneous	-	3,350	1,580
National child benefit - projects	-	36,493	36,339
Office supplies and expenses	2,337	1,882	2,208
Professional fees	-	1,638	22,992
Program expense	-	11,812	7,098
Rent and utilities	44,232	42,833	42,637
Repairs and maintenance	84,002	24,677	34,916
Materials	13,200	12,162	16,691
Salaries and benefits	277,788	275,459	350,960
Social assistance	383,775	417,258	410,766
Telephone	3,500	4,609	4,157
Training	1,800	9,110	24,109
Travel	95,579	92,579	77,071
Community donations	-	7,446	-
Elders fees	-	7,200	-
Total expenses	1,011,025	1,097,591	1,113,069
Annual surplus (deficit)	(46,214)	163,207	95,784
Accumulated surplus (deficit), beginning of year	-	69,368	(27,181)
Transfer between departments	-	8,007	765
Accumulated surplus (deficit), end of year	(46,214)	240,582	69,368

T'it'q'et Administration
Education

Schedule 7 - Schedule of Revenue and Expenses and Accumulated Surplus

For the year ended March 31, 2018

	2018 <i>Budget (note 11)</i>	2018	2017
Revenue			
Indigenous Services Canada	218,820	451,785	352,469
Other revenue	46,804	84,259	109,071
ASETS	-	45,476	-
Total revenue	265,624	581,520	461,540
Expenses			
Administration	-	13,636	10,392
Contracted services	-	28,420	27,888
Insurance	-	1,130	1,130
Office supplies and expenses	1,962	224	1,349
Rent and utilities	-	15,006	16,165
Repairs and maintenance	-	2,690	1,595
Materials	1,370	11,312	7,789
Salaries and benefits	71,376	206,930	144,621
Student expenses	85,000	47,275	62,266
Telephone	-	2,202	2,197
Training	135	22,806	7,450
Tuition	96,875	166,613	122,564
Miscellaneous	-	307	-
Program expense	-	5,494	17,102
Travel	6,244	3,800	-
Advertising	500	253	-
Total expenses	263,462	528,098	422,508
Annual surplus	2,162	53,422	39,032
Accumulated surplus, beginning of year	-	88,537	23,528
Transfer between departments	-	(16,984)	25,977
Accumulated surplus, end of year	2,162	124,975	88,537

**T'it'q'et Administration
Resources**

Schedule 8 - Schedule of Revenue and Expenses and Accumulated Surplus (Deficit)

For the year ended March 31, 2018

	<i>2018 Budget (Note 11)</i>	<i>2018</i>	<i>2017</i>
Revenue			
Indigenous Services Canada	13,376	14,130	29,581
Fisheries and Oceans Canada	-	17,500	17,500
Other revenue	3,000	41,181	50,953
ASETS	-	-	15,706
WOP	-	-	964
Total revenue	16,376	72,811	114,704
Expenses			
Contracted services	100	18,960	32,195
Professional fees	-	-	(875)
Rent and utilities	-	-	4,400
Repairs and maintenance	-	3,030	15,246
Materials	4,200	3,774	8,530
Salaries and benefits	38,657	41,832	74,883
Travel	1,000	2,998	1,358
Office supplies and expenses	-	3,004	-
Program expense	-	1,704	-
Telephone	1,200	1,256	-
Total expenses	45,157	76,558	135,737
Annual deficit	(28,781)	(3,747)	(21,033)
Accumulated surplus, beginning of year	-	4,990	14,091
Transfer between departments	-	10,573	11,932
Accumulated surplus (deficit), end of year	(28,781)	11,816	4,990

**T'it'q'et Administration
Taxation**

Schedule 9 - Schedule of Revenue and Expenses and Accumulated Surplus (Deficit)

For the year ended March 31, 2018

	<i>2018 Budget (Note 11)</i>	<i>2018</i>	<i>2017</i>
Revenue			
Investment income	-	85	93
Taxation	-	125,249	123,724
Total revenue	-	125,334	123,817
Expenses			
Administration	-	4,574	7,943
Community donations	-	112,019	95,132
Office supplies and expenses	-	1,633	1,640
Repairs and maintenance	-	-	1,645
Training	-	-	450
Travel	-	854	807
Professional fees	-	3,963	-
Total expenses	-	123,043	107,617
Annual surplus	-	2,291	16,200
Accumulated surplus, beginning of year	-	18,207	2,007
Accumulated surplus, end of year	-	20,498	18,207