

**T'it'q'et Administration
Consolidated Financial Statements**
March 31, 2019

T'it'q'et Administration
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For the year ended March 31, 2019

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Management's Responsibility

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

The accompanying consolidated financial statements of T'it'q'et Administration (the "Band") 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 fulfills 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 Band'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 with, both the Council and management to discuss their audit findings.

July 26, 2019



Chief



Councillor

Independent Auditor's Report

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

Qualified Opinion

We have audited the consolidated financial statements of T'it'q'et Administration (the "Band"), which comprise the consolidated statement of financial position as at March 31, 2019, and the consolidated statements of operations and accumulated surplus, remeasurement gains, changes in net debt, cash flows and related schedules for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion section of our report, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Band as at March 31, 2019, and the results of its consolidated operations and accumulated surplus, its consolidated remeasurement gains, changes in its consolidated net debt and its consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Qualified Opinion

Financial information for T'it'q'et Economic Development Association, a Band business entity, for the year ending March 31, 2019 was not available at the audit report date. We were unable to determine whether adjustments to investments in Band business entities, earnings from investments in Band business entities, annual surplus and accumulated surplus were necessary.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Band in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Band's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Band or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Band's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Band's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Band's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Band to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Band to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Nanaimo, British Columbia

July 26, 2019

MNP LLP

Chartered Professional Accountants

MNP
LLP

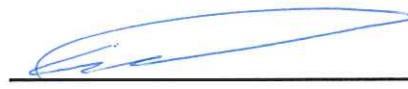
T'it'q'et Administration
Consolidated Statement of Financial Position
As at March 31, 2019

	2019	2018
Financial assets		
Cash and cash equivalents	1,601,666	974,590
Accounts receivable (Note 3)	1,098,226	1,599,578
Portfolio investments (Note 4)	1,212,874	1,194,722
Advances to related Band entities (Note 5)	991,414	747,336
Investment in Band business entities (Note 6)	100	100
Funds held in trust (Note 7)	61,633	59,945
Restricted cash (Note 8)	941,891	844,950
Total financial assets	5,907,804	5,421,221
Liabilities		
Accounts payable and accruals	546,960	282,726
Deferred revenue (Note 9)	20,000	20,000
Long-term debt (Note 10)	9,000,829	9,002,966
Total financial liabilities	9,567,789	9,305,692
Net debt	(3,659,985)	(3,884,471)
Contingencies (Note 13)		
Non-financial assets		
Tangible capital assets (Schedule 1)	13,826,275	13,611,318
Prepaid expenses	52,917	309
Total non-financial assets	13,879,192	13,611,627
Accumulated surplus	10,219,207	9,727,156
Accumulated surplus is comprised of:		
Accumulated surplus	10,068,902	9,582,525
Accumulated remeasurement gains	150,305	144,631
	10,219,207	9,727,156

Approved on behalf of the Council



Chief



Councillor

T'it'q'et Administration
Consolidated Statement of Operations and Accumulated Surplus
For the year ended March 31, 2019

	<i>Schedules</i>	<i>2019 Budget (Note 14)</i>	<i>2019</i>	<i>2018</i>
Revenue				
Indigenous Services Canada		1,514,321	2,394,953	2,323,279
Department of Fisheries and Oceans Canada		-	17,500	17,500
Canada Mortgage and Housing Corporation				
Non-profit on-reserve housing		-	234,606	206,746
Home adaptations for seniors independence program		-	(7,934)	60,726
First Nations Health Authority		789,323	1,023,683	701,810
Other revenue		1,061,390	1,447,426	1,364,781
GST and Sales Tax rebates		-	10,116	9,562
BC Hydro		-	121,001	23,010
Trust allocation		-	374,959	393,149
ASETS		-	18,695	45,476
WOP		-	5,629	5,642
Rental income		216,207	671,287	721,915
Investment income		-	99,135	90,036
Taxation		57,700	237,045	211,249
Allocation to replacement reserve		-	43,791	56,474
ISETS		-	39,459	-
Province of British Columbia		-	19,000	119,000
Total revenue		3,638,941	6,750,351	6,350,355
Program expenses				
Administration	3	1,112,708	1,972,615	1,947,541
Public Works	4	929,740	1,418,191	1,718,621
Housing	5	6,427	713,260	642,674
Community and Human Services	6	1,184,317	1,393,459	1,089,520
Education	7	272,156	486,553	559,399
Resources	8	118,974	145,789	104,598
Taxation	9	-	134,107	123,043
Total expenses		3,624,322	6,263,974	6,185,396
Annual surplus		14,619	486,377	164,959
Accumulated surplus, beginning of year		9,582,525	9,582,525	9,417,566
Accumulated surplus, end of year		9,597,144	10,068,902	9,582,525

T'it'q'et Administration
Consolidated Statement of Remeasurement Gains
For the year ended March 31, 2019

	2019	2018
Accumulated remeasurement gains, beginning of year	144,631	176,375
Unrealized gains (losses) attributable to		
Portfolio investments	5,674	(31,744)
Accumulated remeasurement gains, end of year	150,305	144,631

T'it'q'et Administration
Consolidated Statement of Changes in Net Debt
For the year ended March 31, 2019

	2019 <i>Budget</i> <i>(Note 14)</i>	2019	2018
Annual surplus	14,619	486,377	164,959
Purchases of tangible capital assets	-	(919,490)	(35,000)
Amortization of tangible capital assets	-	704,533	792,669
Acquisition of prepaid expenses	-	(52,608)	-
Use of prepaid expenses	-	-	91,127
Change in remeasurement gains (losses) for the year	-	5,674	(31,744)
Decrease in net debt	14,619	224,486	982,011
Net debt, beginning of year	(3,884,471)	(3,884,471)	(4,866,482)
Net debt, end of year	(3,869,852)	(3,659,985)	(3,884,471)

T'it'q'et Administration
Consolidated Statement of Cash Flows
For the year ended March 31, 2019

	2019	2018
Cash provided by (used for) the following activities		
Operating activities		
Annual surplus	486,377	164,959
Non-cash items		
Amortization	704,533	792,669
Increase in funds held in trust	(1,688)	(2,370)
Change in remeasurement gains (losses)	5,674	(31,744)
	1,194,896	923,514
Changes in working capital accounts		
Accounts receivable	501,352	(240,804)
Marketable securities	-	(30,400)
Accounts payable and accruals	264,234	(267,720)
Prepaid expenses	(52,608)	91,127
	1,907,874	475,717
Financing activities		
Advances of long-term debt	741,758	-
Repayment of long-term debt	(743,895)	(434,491)
	(2,137)	(434,491)
Capital activities		
Purchases of tangible capital assets	(919,490)	(35,000)
Investing activities		
Portfolio investments (net)	(18,152)	-
Advances to related Band entities	(244,078)	-
Increase in restricted cash	(96,941)	(30,315)
	(359,171)	(30,315)
Increase (decrease) in cash resources	627,076	(24,089)
Cash resources, beginning of year	974,590	998,679
Cash resources, end of year	1,601,666	974,590

T'it'q'et Administration
Notes to the Consolidated Financial Statements
For the year ended March 31, 2019

1. Operations

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

2. Significant accounting policies

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

Reporting entity

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

The Band 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'it'q'et Administration business entities, owned or controlled by the Band's Council but not dependent on the Band 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 Band. Thus, the Band'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'it'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 Band, such as reserve land, forests, water and mineral resources, are not recognized in the Band'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:

	Method	Rate
Buildings	declining balance	5 %
Equipment	declining balance	20 %
Infrastructure	declining balance	5 %
Motor vehicles	declining balance	20 %

T'it'q'et Administration
Notes to the Consolidated Financial Statements
For the year ended March 31, 2019

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 consolidated statement of remeasurement gains.

Funds held in Ottawa Trust Fund

Funds held in trust on behalf of Band members by the Government of Canada in the Ottawa Trust Fund are reported on the consolidated 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 Band 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 Band 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 Band 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 Band 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, 2019.

At each financial reporting date, the Band 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 Band 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, 2019, no liability for contaminated site exists.

Net debt

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

T'it'q'et Administration
Notes to the Consolidated Financial Statements
For the year ended March 31, 2019

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

Revenue recognition

i) Government Funding

The Band 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 Band recognizes revenue as the liability is settled. Transfers of non-depreciable assets are recognized in revenue when received or receivable.

ii) Band Capital and Revenue Trust Funds

The Band 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 Band 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 Band 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 Band conducts its business through a number of reportable segments as described in Note 12. These operating segments are established by senior management to facilitate the achievement of the Band'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.

T'it'q'et Administration
Notes to the Consolidated Financial Statements
For the year ended March 31, 2019

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

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

Financial instruments

The Band recognizes its financial instruments when the Band becomes party to the contractual provisions of the financial instrument. All financial instruments are initially recorded at their fair value.

At initial recognition, the Band may irrevocably elect to subsequently measure any financial instrument at fair value. The Band has made such an election during the year.

The Band subsequently measures investments in equity instruments quoted in an active market and all derivative instruments, except those that are linked to, and must be settled by delivery of, unquoted equity instruments of another entity, at fair value. Fair value is determined by published market values at year-end. Transactions to purchase or sell these items are recorded on the trade date. Net gains and losses arising from changes in fair value are recognized in the statement of remeasurement gains and losses. Interest income is recognized in the statement of operations. Investments in equity instruments not quoted in an active market and derivatives that are linked to, and must be settled by delivery of, unquoted equity instruments of another entity, are subsequently measured at cost. With the exception of those instruments designated at fair value, all other financial assets and liabilities are subsequently measured at amortized cost using the effective interest rate method.

Transaction costs directly attributable to the origination, acquisition, issuance or assumption of financial instruments subsequently measured at fair value are immediately recognized in operating annual surplus. Conversely, transaction costs are added to the carrying amount for those financial instruments subsequently measured at cost or amortized cost.

All financial assets except derivatives are tested annually for impairment. Management considers whether the investee has experienced continued losses for a period of years in determining whether objective evidence of impairment exists. Any impairment, which is not considered temporary, is recorded in the statement of operations. Write-downs of financial assets measured at cost and/or amortized cost to reflect losses in value are not reversed for subsequent increases in value. Reversals of any net remeasurements of financial assets measured at fair value are reported in the statement of remeasurement gains and losses.

Change in Accounting Policies

PS 3430 Restructuring Transactions

Effective April 1, 2018, the Band adopted the recommendations relating to *PS 3430 Restructuring Transactions* as set out in the CPA Canada Public Sector Accounting Handbook. The main features of this standard are as follows:

- A restructuring transaction is defined as a transfer of an integrated set of assets and/or liabilities, together with related program or operating responsibilities that does not involve an exchange of consideration.
- Individual assets and liabilities transferred in a restructuring transaction are derecognized by the transferor at their carrying amount and recognized by the recipient at their carrying amount with applicable adjustments.

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

3. Accounts receivable

	2019	2018
CMHC subsidy assistance receivable	49,315	17,123
Rent receivable	44,738	43,487
Loans receivable	380,821	416,504
Other accounts receivable	640,218	1,130,144
	<hr/>	<hr/>
	1,115,092	1,607,258
Less: Allowance for doubtful accounts	16,866	7,680
	<hr/>	<hr/>
	1,098,226	1,599,578

T'it'q'et Administration
Notes to the Consolidated Financial Statements
For the year ended March 31, 2019

4. Portfolio investments

	2019	2018
Measured at cost:		
Investment - FNFA	102,998	101,178
Measured at fair value:		
Marketable securities	1,109,876	1,093,544
	1,212,874	1,194,722

5. Advances to related Band entities

Advances to related Band entities are unsecured, non-interest bearing and due on demand. These entities are related by virtue of common control or joint control by the Band.

	2019	2018
1050033 B.C. Ltd.	317,297	317,297
T'it'q'et CMHC	-	105,039
T'it'q'et Economic Development Authority	399,157	325,000
Rancherie Enterprises Ltd.	274,960	-
	991,414	747,336

6. Investments in Band business entities

The Band has investments in the following entities:

	<i>Investment cost</i>	<i>Loans / advances</i>	<i>2019 Total investment</i>
Wholly-owned Businesses:			
Rancherie Enterprises	100	-	100
	<i>Investment cost</i>	<i>Loans / advances</i>	<i>2018 Total investment</i>
Wholly-owned Businesses:			
Rancherie Enterprises	100	-	100

T'it'q'et Administration
Notes to the Consolidated Financial Statements
For the year ended March 31, 2019

7. Funds held in trust

Capital and revenue trust monies are transferred to the Band on the authorization of the Minister of Indigenous Services Canada, with the consent of the Band's Chief and Council.

	2019	2018
Capital Trust		
Balance, beginning of year	18,900	18,900
Balance, end of year	18,900	18,900
Revenue Trust		
Balance, beginning of year	41,045	38,675
Interest	1,688	2,370
Balance, end of year	42,733	41,045
Combined total	61,633	59,945

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*.

8. Restricted cash

Restricted cash is comprised of the following:

	2019	2018
Replacement reserve	700,024	612,251
FNFA debt reserve fund	241,867	232,699
	941,891	844,950

Under the terms of the agreement with 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.

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

T'it'q'et Administration
Notes to the Consolidated Financial Statements
For the year ended March 31, 2019

10. Long-term debt

	2019	2018
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	2,294,990	2,751,143
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	4,232,729	4,332,345
ANTC loan bearing interest at 2.22% per annum, repayable in blended monthly payments of \$3,220, maturing January 2044 and secured by a mortgage	738,131	-
ANTC loan bearing interest at 1.31% per annum, repayable in blended monthly payments of \$942, maturing December 2022 and secured by a mortgage	41,353	52,043
ANTC loan bearing interest at 1.70% per annum, repayable in blended monthly payments of \$1,122, maturing November 2019 and secured by a mortgage	8,921	22,117
ANTC loan, repaid during the year	-	2,897
ANTC loan bearing interest at 1.01% per annum, repayable in blended monthly payments of \$1,634, maturing January 2021 and secured by a mortgage	35,609	54,758
ANTC loan bearing interest at 1.31% per annum, repayable in blended monthly payments of \$2,376, maturing December 2022 and secured by a mortgage	104,295	131,255
ANTC loan bearing interest at 2.50% per annum, repayable in blended monthly payments of \$1,751, maturing April 2033 and secured by a mortgage	249,373	264,228
ANTC loan bearing interest at 1.85% per annum, repayable in blended monthly payments of \$2,282, maturing August 2034 and secured by a mortgage	367,305	387,720
ANTC loan bearing interest at 1.97% per annum, repayable in blended monthly payments of \$2,324, maturing December 2037 and secured by a mortgage	437,150	456,254
ANTC loan bearing interest at 1.39% per annum, repayable in blended monthly payments of \$1,967, maturing June 2040 and secured by a mortgage	434,275	451,730
ANTC loan, repaid during the year	-	8,508
ANTC loan bearing interest at 1.92% per annum, repayable in blended monthly payments of \$1,556, maturing March 2022 and secured by a mortgage	54,380	71,824
ANTC loan bearing interest at 1.02% per annum, repayable in blended monthly payments of \$1,161, maturing May 2019 and secured by a mortgage	2,318	16,144
	9,000,829	9,002,966

T'it'q'et Administration
Notes to the Consolidated Financial Statements
For the year ended March 31, 2019

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

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
2020	378,878
2021	371,846
2022	363,100
2023	342,119
2024	319,803
	<hr/>
	1,775,746
<hr/> Thereafter	<hr/>
	7,225,083

11. Economic dependence

T'it'q'et Administration receives a significant portion of its revenue from Indigenous Services Canada ("ISC") as a result of funding agreements entered into with the Government of Canada. These agreements are administered by ISC under the terms and conditions of the *Indian Act*. The ability of the Band to continue operations is dependent upon the Government of Canada's continued financial commitments as guaranteed by these agreements.

12. Segments

The Band 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 Band.

Education:

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

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 Band.

Housing:

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

Resources:

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

Taxation:

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

T'it'q'et Administration
Notes to the Consolidated Financial Statements
For the year ended March 31, 2019

13. Contingencies

The Band may be contingently liable with respect to Ministerial guarantees for "On Reserve Housing Loans" to various financial institutions in the amount of \$294,372. These loan guarantees are in addition to CMHC mortgages.

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.

The Band is subject to funding reviews according to their agreements with federal government agencies. It is possible that adjustments could be made based on the results of these reviews by the federal government agencies. Recoveries are recorded in the year of adjustment.

14. Budget information

The disclosed budget information has been approved by the Chief and Council of the T'it'q'et Administration. The original budget was approved by Chief and Council on March 21, 2018. Budget information was not prepared for the full scope of activities performed by the Band for the year ended March 31, 2019. Budget information was not prepared, available or approved for several departments.

15. Financial Instruments

The Band as part of its operations carries a number of financial instruments. It is management's opinion that the Band is not exposed to significant interest, currency or credit risks arising from these financial instruments except as otherwise disclosed.

Credit Risk

Financial instruments that potentially subject the Band to concentrations of credit risk consist primarily of cash, accounts receivables, related party balances and investments. The maximum credit risk exposure is \$5,845,936 (2018 - \$5,361,026). The cash and GICs are with a Canadian chartered bank or government agency. The Band believes that there is minimal risk associated with the cash and GICs due to the credit quality of the bank and government agency.

Interest rate risk

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. Changes in market interest rates may have an effect on the cash flows associated with some financial assets and liabilities, known as cash flow risk, and on the fair value of other financial assets or liabilities, known as price risk. The Band is exposed to interest rate risk primarily relating to its investments and debt.

Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or foreign currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Band enters into transactions to purchase investments, for which the market price fluctuates.

16. Comparative figures

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

T'it'q'et Administration
Schedule 1 - Consolidated Schedule of Tangible Capital Assets
For the year ended March 31, 2019

	<i>Land and improvements</i>	<i>Buildings</i>	<i>Infrastructure</i>	<i>Equipment</i>	<i>Motor Vehicles</i>	<i>2019</i>	<i>2018</i>
Cost							
Balance, beginning of year	824,118	18,128,861	3,727,547	608,112	352,583	23,641,221	23,606,221
Acquisition of tangible capital assets	-	919,490	-	-	-	919,490	35,000
Balance, end of year	824,118	19,048,351	3,727,547	608,112	352,583	24,560,711	23,641,221
Accumulated amortization							
Balance, beginning of year	-	6,948,556	2,193,080	573,822	314,445	10,029,903	9,237,233
Annual amortization	-	609,513	76,723	6,857	11,440	704,533	792,670
Balance, end of year	-	7,558,069	2,269,803	580,679	325,885	10,734,436	10,029,903
Net book value of tangible capital assets	824,118	11,490,282	1,457,744	27,433	26,698	13,826,275	13,611,318
2018 Net book value of tangible capital assets	824,118	11,180,305	1,534,467	34,290	38,138	13,611,318	

T'it'q'et Administration
Schedule 2 - Consolidated Schedule of Expenses by Object
For the year ended March 31, 2019

	2019 Budget (Note 14)	2019	2018
Consolidated expenses by object			
Administration	127,631	17,885	41,718
Advertising	500	-	-
Allocation to replacement reserve	-	43,791	56,474
Amortization	-	704,533	792,669
Bad debts	-	6,077	-
Bank charges and interest	-	5,337	12,316
Community donations	3,000	109,903	119,565
Contracted services	61,679	516,644	619,789
Elders fees	-	2,843	7,200
GST and Sales tax	-	2,428	2,294
Health	170,538	10,179	9,099
Honoraria	201,873	100,058	139,095
Insurance	37,297	85,452	93,434
Interest on long-term debt	212,145	282,884	271,239
Materials	103,756	119,055	146,447
National child benefit - projects	-	31,353	36,493
Office supplies and expenses	82,306	142,061	104,541
Professional fees	113,514	85,102	66,090
Program education	-	24,553	25,656
Program expense	101,280	165,534	268,773
Property tax	-	-	5,823
Rental	401,526	165,176	167,142
Repairs and maintenance	90,844	667,067	641,540
Salaries and benefits	1,188,326	1,667,420	1,379,616
Social assistance	472,831	435,473	413,813
Student expenses	24,000	48,203	47,275
Telephone and internet	14,136	43,730	35,799
Training	56,743	106,284	66,718
Travel	160,397	269,574	224,726
Tuition	-	162,904	166,613
Utilities	-	165,145	160,926
Vehicle and fuel	-	77,326	62,513
	3,624,322	6,263,974	6,185,396

T'it'q'et Administration
Administration
Schedule 3 - Consolidated Schedule of Revenue and Expenses
For the year ended March 31, 2019

	2019 <i>Budget</i> <i>(Note 14)</i>	2019	2018
Revenue			
Indigenous Services Canada	117,306	550,121	394,821
First Nations Health Authority	-	-	82,802
Other revenue	624,377	645,454	841,810
Trust allocation	-	374,959	393,149
Rental income	130,314	327,623	296,456
BC Hydro	-	121,001	23,010
Investment income	-	89,119	85,610
ISETS	-	39,459	-
Taxation	-	20,800	27,000
Province of British Columbia	-	19,000	19,000
ASETS	-	18,695	-
GST and Sales Tax rebates	-	10,116	9,562
WOP	-	5,629	5,642
	871,997	2,221,976	2,178,862
Expenses			
Administration fee (recovery)	40,071	(154,732)	(166,411)
Bank charges and interest	-	4,856	10,968
Community donations	3,000	-	100
Contracted services	20,679	259,251	252,347
GST and Sales tax	-	2,428	2,294
Health	-	2,396	-
Honoraria	188,768	52,742	105,343
Insurance	8,000	34,857	38,958
Interest on long-term debt	10,645	130,500	140,449
Materials	44,919	30,597	94,604
Office supplies and expenses	50,171	98,460	69,293
Professional fees	87,000	64,494	43,494
Program expense	54,766	46,114	54,714
Rental	50,525	79,366	88,601
Repairs and maintenance	12,400	85,261	204,571
Salaries and benefits	460,965	784,651	557,344
Telephone and internet	6,400	27,063	25,778
Training	16,000	56,030	27,103
Travel	58,399	104,057	110,059
Utilities	-	13,881	14,117
Vehicle and fuel	-	14,013	17,116
	1,112,708	1,736,285	1,690,842
Surplus (deficit)	(240,711)	485,691	488,020
Accumulated surplus, beginning of year	-	3,377,945	3,422,025
Transfer between departments	-	(393,514)	(396,706)
Principal payments on long-term debt	-	(105,232)	(135,394)
Accumulated surplus (deficit), end of year	(240,711)	3,364,890	3,377,945

T'it'q'et Administration
Public Works
Schedule 4 - Consolidated Schedule of Revenue and Expenses
For the year ended March 31, 2019

	2019 Budget (Note 14)	2019	2018
Revenue			
Indigenous Services Canada	373,683	464,939	789,573
Other revenue	386,781	4,722	16,652
Rental income	69,933	82,342	73,882
Taxation	57,700	57,700	59,000
Province of British Columbia	-	-	100,000
	888,097	609,703	1,039,107
Expenses			
Administration fee (recovery)	10,000	(6,468)	8,352
Amortization	-	518,555	544,006
Bank charges and interest	-	266	1,347
Contracted services	17,000	104,994	260,542
Insurance	27,064	23,463	17,720
Interest on long-term debt	201,500	114,087	98,648
Materials	28,365	19,434	18,918
Office supplies and expenses	7,884	2,247	5,216
Professional fees	4,000	-	7,119
Program expense	-	26,134	191,977
Rental	284,334	11,443	11,443
Repairs and maintenance	74,600	194,738	199,216
Salaries and benefits	252,743	204,152	172,814
Telephone and internet	1,830	6,841	1,055
Training	1,420	1,943	693
Travel	19,000	2,333	4,601
Utilities	-	138,774	137,790
Vehicle and fuel	-	55,255	37,164
	929,740	1,418,191	1,718,621
Deficit	(41,643)	(808,488)	(679,514)
Accumulated surplus, beginning of year	-	4,750,269	4,907,248
Transfer between departments	-	376,435	387,141
Acquisition of tangible capital assets	-	919,490	-
Principal payments on long-term debt	-	470,232	135,394
New debt issuance	-	(741,758)	-
Accumulated surplus (deficit), end of year	(41,643)	4,966,180	4,750,269

T'it'q'et Administration
Housing
Schedule 5 - Consolidated Schedule of Revenue and Expenses
For the year ended March 31, 2019

	2019 <i>Budget</i> <i>(Note 14)</i>	2019	2018
Revenue			
Indigenous Services Canada	-	354,165	53,435
Canada Mortgage and Housing Corporation			
Non-profit on-reserve housing	-	234,606	206,746
Home adaptations for seniors independence program	-	(7,934)	60,726
Other revenue	-	260,025	80,120
Rental income	15,960	261,322	349,051
Investment income	-	9,610	4,341
Allocation to replacement reserve	-	43,791	56,474
	15,960	1,155,585	810,893
Expenses			
Administration	2,394	30,341	50,149
Allocation to replacement reserve	-	43,791	56,474
Amortization	-	185,978	248,663
Bad debts	-	6,077	-
Bank charges and interest	-	215	-
Contracted services	-	7,469	385
Honoraria	-	-	103
Insurance	1,033	24,541	33,904
Interest on long-term debt	-	38,298	32,141
Materials	-	-	579
Office supplies and expenses	-	-	51
Professional fees	-	9,927	7,877
Property tax	-	-	5,823
Repairs and maintenance	3,000	356,262	201,034
Salaries and benefits	-	147	101
Training	-	53	-
Utilities	-	10,161	5,390
	6,427	713,260	642,674
Surplus	9,533	442,325	168,219
Accumulated surplus, beginning of year	-	878,723	710,504
Transfer between departments	-	(1,075)	-
Acquisition of tangible capital assets	-	(919,490)	-
New debt issuance	-	741,758	-
Accumulated surplus, end of year	9,533	1,142,241	878,723

T'it'q'et Administration
Community and Human Services
Schedule 6 - Consolidated Schedule of Revenue and Expenses
For the year ended March 31, 2019

	2019 Budget (Note 14)	2019	2018
Revenue			
Indigenous Services Canada	711,473	612,867	619,535
First Nations Health Authority	789,323	1,023,683	619,008
Other revenue	10,000	53,599	11,657
Rental income	-	-	2,526
Taxation	-	5,000	-
	1,510,796	1,695,149	1,252,726
Expenses			
Administration	50,687	74,242	71,057
Community donations	-	1,800	7,446
Contracted services	-	103,585	59,134
Elders fees	-	2,843	7,200
Health	106,572	7,783	9,099
Honoraria	-	675	-
Insurance	5,000	1,498	1,721
Materials	11,500	25,478	12,162
National child benefit - projects	-	31,353	36,493
Office supplies and expenses	19,827	10,805	5,232
Professional fees	6,400	4,328	1,638
Program expense	91,280	88,555	14,884
Rental	50,668	52,252	42,944
Repairs and maintenance	500	12,742	18,927
Salaries and benefits	266,277	354,409	275,459
Social assistance	472,831	435,473	413,813
Telephone and internet	3,406	6,372	4,609
Training	38,323	30,881	9,110
Travel	61,046	143,115	92,579
Utilities	-	1,242	1,895
Vehicle and fuel	-	4,028	4,118
	1,184,317	1,393,459	1,089,520
Surplus	326,479	301,690	163,206
Accumulated surplus, beginning of year	-	240,582	69,369
Transfer between departments	-	(26,887)	8,007
Principal payments on long-term debt	-	(365,000)	-
Accumulated surplus, end of year	326,479	150,385	240,582

T'it'q'et Administration
Education
Schedule 7 - Consolidated Schedule of Revenue and Expenses
For the year ended March 31, 2019

	2019 <i>Budget</i> <i>(Note 14)</i>	2019	2018
Revenue			
Indigenous Services Canada	222,729	398,731	451,785
Other revenue	36,000	101,920	92,759
ASETS	-	-	45,476
Taxation	-	2,000	-
	258,729	502,651	590,020
Expenses			
Administration	18,479	18,279	13,636
Contracted services	23,000	36,395	28,420
Honoraria	-	5,241	-
Insurance	1,200	1,092	1,130
Materials	16,077	37,386	14,468
Office supplies and expenses	200	2,053	784
Program education	-	24,553	25,656
Program expense	14,500	4,731	5,494
Rental	13,000	7,115	9,154
Repairs and maintenance	-	2,019	2,690
Salaries and benefits	142,467	118,416	206,930
Student expenses	24,000	48,203	47,275
Telephone and internet	2,500	2,404	2,202
Training	-	10,547	25,295
Travel	16,733	100	3,800
Tuition	-	162,904	166,613
Utilities	-	1,087	1,734
Vehicle and fuel	-	4,028	4,118
	272,156	486,553	559,399
Surplus (deficit)	(13,427)	16,098	30,621
Accumulated surplus, beginning of year	-	140,448	119,082
Transfer between departments	-	23,575	(9,255)
Accumulated surplus (deficit), end of year	(13,427)	180,121	140,448

**T'it'q'et Administration
Resources**
Schedule 8 - Consolidated Schedule of Revenue and Expenses
For the year ended March 31, 2019

	2019 Budget (Note 14)	2019	2018
Revenue			
Indigenous Services Canada	89,130	14,130	14,130
Department of Fisheries and Oceans Canada	-	17,500	17,500
Other revenue	4,232	381,706	321,783
	93,362	413,336	353,413
Expenses			
Administration	6,000	43,228	60,362
Contracted services	1,000	4,952	18,960
Honoraria	8,000	41,400	33,650
Materials	3,000	6,161	5,716
Office supplies and expenses	4,724	22,496	22,333
Professional fees	16,114	6,352	2,000
Program expense	4,700	-	1,704
Rental	3,000	15,000	15,000
Repairs and maintenance	344	14,445	15,101
Salaries and benefits	65,873	204,946	166,968
Telephone and internet	-	1,049	2,155
Training	1,000	2,979	4,516
Travel	5,219	19,111	12,833
	118,974	382,119	361,298
Surplus (deficit)	(25,612)	31,217	(7,885)
Accumulated surplus, beginning of year	-	174,059	171,131
Transfer between departments	-	21,466	10,813
Accumulated surplus, end of year	(25,612)	226,742	174,059

T'it'q'et Administration
Taxation
Schedule 9 - Consolidated Schedule of Revenue and Expenses
For the year ended March 31, 2019

	2019	2019	2018
Revenue			
Investment income	-	405	85
Taxation	-	151,545	125,249
	-	151,950	125,334
Expenses			
Administration	-	12,995	4,574
Community donations	-	108,103	112,019
Office supplies and expenses	-	6,000	1,633
Professional fees	-	-	3,963
Repairs and maintenance	-	1,600	-
Salaries and benefits	-	700	-
Training	-	3,851	-
Travel	-	858	854
	-	134,107	123,043
Surplus			
Accumulated surplus, beginning of year	-	17,843	2,291
Accumulated surplus, end of year	-	38,342	20,499