

**T'it'q'et Administration
Consolidated Financial Statements**
March 31, 2021

T'it'q'et Administration
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For the year ended March 31, 2021

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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 ("T'it'q'et") are the responsibility of management and have been approved by the Administrator and Finance Manager.

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 T'it'q'et'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 27, 2021

E-SIGNED by Janice Whitney

Administrator

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

Opinion

We have audited the consolidated financial statements of T'it'q'et Administration ("T'it'q'et"), which comprise the consolidated statement of financial position as at March 31, 2021, and the consolidated statements of operations and accumulated surplus, remeasurement gains, changes in net financial assets (net debt) and cash flows for the year then ended, and notes and related schedules to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of T'it'q'et as at March 31, 2021, and the results of its consolidated operations, changes in its consolidated remeasurement gains, changes in its consolidated net financial assets (debt), and its consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

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 T'it'q'et 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 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 T'it'q'et'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 T'it'q'et or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing T'it'q'et'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 T'it'q'et'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 T'it'q'et'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 T'it'q'et 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 T'it'q'et 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.

Kelowna, British Columbia

July 27, 2021

MNP LLP

Chartered Professional Accountants

MNP
LLP

T'it'q'et Administration
Consolidated Statement of Financial Position
As at March 31, 2021

	2021	2020
Financial assets		
Cash and cash equivalents	3,893,061	2,437,840
Restricted cash (Note 3)	1,037,456	996,993
Accounts receivable (Note 4)	1,788,881	1,151,211
Funds held in trust (Note 5)	1,055	64,314
Portfolio investments (Note 6)	1,333,211	1,124,942
Investment in T'it'q'et business entities (Note 7)	954,466	953,053
Total financial assets	9,008,130	6,728,353
Liabilities		
Accounts payable and accruals	334,977	277,444
Deferred revenue (Note 8)	20,000	20,000
Long-term debt (Note 9)	8,269,008	8,633,967
Total financial liabilities	8,623,985	8,931,411
Net financial assets (net debt)	384,145	(2,203,058)
Contingencies (Note 10)		
Significant event (Note 11)		
Non-financial assets		
Tangible capital assets (Schedule 1)	13,193,487	13,368,041
Prepaid expenses	8,227	16,679
Total non-financial assets	13,201,714	13,384,720
Accumulated surplus	13,585,859	11,181,662
Accumulated surplus is comprised of:		
Accumulated surplus (Note 12)	13,372,918	11,147,022
Accumulated remeasurement gains	212,941	34,640
	13,585,859	11,181,662

Approved on behalf of the Council

 Councillor

 Councillor

T'it'q'et Administration
Consolidated Statement of Operations and Accumulated Surplus
For the year ended March 31, 2021

	<i>Schedules</i>	<i>2021 Budget (Note 14)</i>	<i>2021 Actual</i>	2020
Revenue				
Indigenous Services Canada (Note 13)		2,620,643	4,128,168	3,497,533
Department of Fisheries and Oceans Canada		-	44,774	17,500
Canada Mortgage and Housing Corporation				
Non-profit on-reserve housing		-	326,937	184,545
Home adaptations for seniors independence program		-	-	34,632
First Nations Health Authority		635,697	844,016	676,497
Other revenue		1,930,585	1,434,112	1,166,107
Rental income		295,252	626,451	647,678
Trust allocation		-	397,387	391,073
BC FN Gaming Revenue		-	363,209	340,207
Province of British Columbia		-	217,000	319,000
Taxation		95,500	215,608	222,118
BC Hydro		-	118,786	133,818
Investment income		60,073	43,963	112,482
ASETS		-	49,986	56,036
Allocation to replacement reserve		-	109,942	54,549
ISETS		-	7,417	19,175
GST and sales tax rebates		-	19,262	9,592
WOP		6,453	5,928	7,113
Total revenue		5,644,203	8,952,946	7,889,655
Program expenses				
Administration	3	1,947,749	1,142,323	1,398,385
Public Works	4	1,420,278	1,529,133	1,571,595
Housing	5	524,682	629,322	888,155
Community and Human Services	6	1,972,320	1,971,420	1,660,805
Education	7	674,218	638,252	559,747
Resources	8	994,403	671,603	555,751
Taxation	9	-	144,997	177,097
Total expenses		7,533,650	6,727,050	6,811,535
Annual surplus (deficit)		(1,889,447)	2,225,896	1,078,120
Accumulated surplus, beginning of year		11,147,022	11,147,022	10,068,902
Accumulated surplus, end of year		9,257,575	13,372,918	11,147,022

T'it'q'et Administration
Consolidated Statement of Remeasurement Gains
For the year ended March 31, 2021

	2021	2020
Accumulated remeasurement gains, beginning of year	34,640	150,305
Unrealized gains (losses) attributable to:		
Portfolio investments	178,301	(115,665)
Accumulated remeasurement gains, end of year	212,941	34,640

T'it'q'et Administration
Consolidated Statement of Change in Net Financial Assets (Net Debt)
For the year ended March 31, 2021

	2021 Budget (Note 14)	2021 Actual	2020
Annual surplus	(1,889,447)	2,225,896	1,078,120
Purchases of tangible capital assets	-	(508,666)	(212,532)
Amortization of tangible capital assets	-	683,220	670,766
Use of prepaid expenses	-	8,452	36,238
Change in remeasurement gains (losses) for the year	-	178,301	(115,665)
Increase (decrease) in net financial assets (debt)	(1,889,447)	2,587,203	1,456,927
Net debt, beginning of year	(2,203,058)	(2,203,058)	(3,659,985)
Net financial assets (debt), end of year	(4,092,505)	384,145	(2,203,058)

T'it'q'et Administration
Consolidated Statement of Cash Flows
For the year ended March 31, 2021

	2021	2020
Cash provided by (used for) the following activities		
Operating activities		
Annual surplus	2,225,896	1,078,120
Non-cash items		
Amortization	683,220	670,766
Change in funds held in trust	63,259	(2,681)
Change in remeasurement gains (losses)	178,301	(115,665)
	3,150,676	1,630,540
Changes in working capital accounts		
Accounts receivable	(637,670)	(52,985)
Accounts payable and accruals	57,533	(269,516)
Prepaid expenses	8,452	36,238
	2,578,991	1,344,277
Financing activities		
Repayment of long-term debt	(364,959)	(366,862)
Capital activities		
Purchases of tangible capital assets	(508,666)	(212,532)
Investing activities		
Increase in restricted cash	(40,463)	(55,102)
Portfolio investments (net)	(208,269)	87,932
Advances to (repayments from) related T'it'q'et entities	(1,413)	38,461
	(250,145)	71,291
Increase in cash resources	1,455,221	836,174
Cash resources, beginning of year	2,437,840	1,601,666
Cash resources, end of year	3,893,061	2,437,840

T'it'q'et Administration
Notes to the Consolidated Financial Statements
For the year ended March 31, 2021

1. Operations

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

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 T'it'q'et reporting entity, except for T'it'q'et business entities.

T'it'q'et 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 T'it'q'et's Council but not dependent on T'it'q'et 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 T'it'q'et. Thus, T'it'q'et'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
- 1050033 B.C. Ltd.
- Rancherie Enterprises Ltd.

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. Contributed tangible assets are recorded at their fair value at the date of contribution.

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

T'it'q'et Administration
Notes to the Consolidated Financial Statements
For the year ended March 31, 2021

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

Amortization

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

	Rate
Buildings	5 %
Equipment	20 %
Infrastructure	5 %
Motor vehicles	30 %

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.

Revenue recognition

i) Government Transfers

T'it'q'et 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, T'it'q'et recognizes revenue as the liability is settled. Transfers of non-depreciable assets are recognized in revenue when received or receivable.

ii) Funds held in Ottawa Trust Fund

T'it'q'et recognizes revenue of funds held in Ottawa Trust Fund at the time funds are contributed to 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 T'it'q'et when earned.

T'it'q'et Administration
Notes to the Consolidated Financial Statements
For the year ended March 31, 2021

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

Funds held in Ottawa Trust Fund

Funds held in trust on behalf of T'it'q'et members by the Government of Canada in the Ottawa Trust Fund are reported on the consolidated statement of financial position. Trust monies consist of:

- Capital trust monies derived from non-renewable resource transactions on land or other T'it'q'et tangible capital assets; and
- Revenue trust monies generated primarily through land leasing transactions or interest earned on deposits held in trust.

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, T'it'q'et 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, 2021.

At each financial reporting date, T'it'q'et reviews the carrying amount of the liability. Any revisions required to the amount previously recognized is accounted for in the period revisions are made. T'it'q'et 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, 2021 no liability for contaminated site exists.

Use of estimates

The preparation of consolidated financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenue and expenses during the reporting period.

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 T'it'q'et is responsible for.

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

T'it'q'et Administration
Notes to the Consolidated Financial Statements
For the year ended March 31, 2021

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

Segments

T'it'q'et conducts its business through a number of reportable segments as described in Note 17. These operating segments are established by senior management to facilitate the achievement of T'it'q'et'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 as disclosed in Note 2.

Financial instruments

T'it'q'et recognizes its financial instruments when T'it'q'et becomes party to the contractual provisions of the financial instrument. All financial instruments are initially recorded at their fair value.

At initial recognition, T'it'q'et may irrevocably elect to subsequently measure any financial instrument at fair value. T'it'q'et has not made such an election during the year.

T'it'q'et 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 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.

3. Restricted cash

Restricted cash is comprised of the following:

	2021	2020
CMHC operating reserve	562,709	500,535
CMHC replacement reserve	220,638	244,541
First Nation Finance Authority debt reserve fund	254,109	251,917
	<hr/> 1,037,456	<hr/> 996,993

Replacement reserves

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 underfunded by \$30,418 (2020 - adequately funded).

T'it'q'et Administration
Notes to the Consolidated Financial Statements
For the year ended March 31, 2021

3. Restricted cash (Continued from previous page)

Operating reserve

Under the terms of the agreements with CMHC, excess federal assistance payments may be retained in an Operating Reserve. 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. For the Post 1996 phases, the funds may be used to offset future deficits. Withdrawals are credits to interest first and then principal. At year-end, the operating reserve was underfunded by \$71,887 (2020 - underfunded by \$97,263).

First Nation Finance Authority debt reserve fund

T'it'q'et was issued a debt instrument through the First Nation Finance Authority ("FNFA"). As a condition of this borrowing, a portion of the debenture proceeds are withheld by the FNFA as a debt reserve fund.

4. Accounts receivable

	2021	2020
Other accounts receivable	1,273,314	734,290
Loans receivable	345,177	370,241
CMHC subsidy assistance receivable	137,028	15,141
Rent receivable	50,228	48,405
	<hr/>	<hr/>
	1,805,747	1,168,077
Less: Allowance for doubtful accounts	16,866	16,866
	<hr/>	<hr/>
	1,788,881	1,151,211

5. Funds held in trust

Capital and revenue trust monies are transferred to the T'it'q'et on the authorization of the Minister of Indigenous Services Canada, with the consent of the T'it'q'et's Council.

	2021	2020
Capital Trust		
Balance, beginning of year	18,900	18,900
Less: Transfers to Nation	18,900	-
	<hr/>	<hr/>
Balance, end of year	-	18,900
Revenue Trust		
Balance, beginning of year	45,414	42,733
Interest	1,372	2,681
	<hr/>	<hr/>
Less: Transfers to Nation	46,786	45,414
	45,731	-
	<hr/>	<hr/>
Balance, end of year	1,055	45,414
	<hr/>	<hr/>
Combined total	1,055	64,314

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*.

T'it'q'et Administration
Notes to the Consolidated Financial Statements
For the year ended March 31, 2021

6. Portfolio investments

	2021	2020
Measured at cost:		
Investment - Municipal Finance Authority of BC	105,323	104,845
Measured at fair value:		
Marketable securities	1,227,888	1,020,097
	1,333,211	1,124,942

7. Investments in T'it'q'et business entities

T'it'q'et has investments in the following entities:

	<i>Investment cost</i>	<i>Advances</i>	<i>2021 Total investment</i>
Not for Profit:			
T'it'q'et Economic Development Authority	-	399,410	399,410
Wholly-owned Businesses:			
Rancherie Enterprises Ltd.	100	237,659	237,759
1050033 B.C. Ltd.	3	317,294	317,297
	103	554,953	555,056
	103	954,363	954,466
	<i>Investment cost</i>	<i>Advances</i>	<i>2020 Total investment</i>
Not for Profit:			
T'it'q'et Economic Development Authority	-	399,330	399,330
Wholly-owned Businesses:			
Rancherie Enterprises Ltd.	100	236,326	236,426
1050033 B.C. Ltd.	3	317,294	317,297
	103	553,620	553,723
	103	952,950	953,053

8. 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>
New On Reserve Housing Approach	20,000	-	-	20,000

T'it'q'et Administration
Notes to the Consolidated Financial Statements
For the year ended March 31, 2021

9. Long-term debt

	2021	2020
First Nations Finance Authority loan bearing interest at 2.9% per annum, repayable in blended monthly payments of \$18,757, maturing June 2024 and secured by the guarantee of T'it'q'et and Ministerial guarantee from Indigenous Services Canada	4,024,441	4,130,124
Bank of Montreal loan bearing at 2.82% per annum, repayable in blended monthly payments of \$13,380, maturing September 2037 and secured by the guarantee of T'it'q'et and Ministerial guarantee from Indigenous Services Canada	2,125,150	2,212,757
All Nations Trust Company ("ANTCO") loan bearing interest at 2.22% per annum, repayable in blended monthly payments of \$3,220, maturing January 2044 and secured by the guarantee of T'it'q'et and Ministerial guarantee from Indigenous Services Canada	692,513	715,610
ANTCO loan bearing interest at 1.97% per annum, repayable in blended monthly payments of \$2,324, maturing December 2037 and secured by the guarantee of T'it'q'et and Ministerial guarantee from Indigenous Services Canada	397,800	417,687
ANTCO loan bearing interest at 0.69% per annum, repayable in blended monthly payments of \$1,839, maturing June 2040 and secured by the guarantee of T'it'q'et and Ministerial guarantee from Indigenous Services Canada	397,672	416,589
ANTCO loan bearing interest at 1.73% per annum, repayable in blended monthly payments of \$2,263, maturing August 2034 and secured by the guarantee of T'it'q'et and Ministerial guarantee from Indigenous Services Canada	325,052	346,416
ANTCO loan bearing interest at 2.50% per annum, repayable in blended monthly payments of \$1,751, maturing April 2033 and secured by the guarantee of T'it'q'et and Ministerial guarantee from Indigenous Services Canada	219,048	234,412
ANTCO loan bearing interest at 1.31% per annum, repayable in blended monthly payments of \$2,376, maturing December 2022 and secured by the guarantee of T'it'q'et and Ministerial guarantee from Indigenous Services Canada	49,306	76,982
ANTCO loan bearing interest at 1.31% per annum, repayable in blended monthly payments of \$942, maturing December 2022 and secured by the guarantee of T'it'q'et and Ministerial guarantee from Indigenous Services Canada	19,550	30,523
ANTCO loan bearing interest at 1.92% per annum, repayable in blended monthly payments of \$1,556, maturing March 2022 and secured by the guarantee of T'it'q'et and Ministerial guarantee from Indigenous Services Canada	18,476	36,601
ANTCO loan, repaid in full during the year	-	16,266
	8,269,008	8,633,967

T'it'q'et Administration
Notes to the Consolidated Financial Statements
For the year ended March 31, 2021

9. 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:

2022	353,406
2023	330,316
2024	305,752
2025	311,272
2026	316,531

10. Contingencies

T'it'q'et may be contingently liable with respect to Ministerial guarantees for "On Reserve Housing Loans" to various financial institutions in the amount of \$294,372 (2020 - \$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.

T'it'q'et 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.

11. Significant event

In March 2020, there was a global outbreak of COVID-19 (coronavirus), which has had a significant impact on organizations and businesses through the restrictions put in place by the Canadian, provincial and municipal governments regarding travel, business operations and isolation/quarantine orders. At this time, it is unknown the extent of the impact the COVID-19 outbreak may have on T'it'q'et as this will depend on future developments that are highly uncertain and that cannot be predicted with confidence. These uncertainties arise from the inability to predict the ultimate geographic spread of the disease, and the duration of the outbreak, including the duration of travel restrictions, business closures or disruptions, and quarantine/isolation measures that are currently, or may be put, in place by Canada and other countries to fight the virus. T'it'q'et has received additional program funding from Government specifically related to the pandemic to help T'it'q'et maintain its operation and to cover any additional operating costs.

12. Accumulated surplus

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

	2021	2020
Equity in Ottawa Trust Funds	1,055	64,314
Equity in CMHC reserves	992,761	812,543
Equity in tangible capital assets	4,924,474	4,734,070
Restricted surplus	254,109	251,917
Unrestricted surplus	<u>7,200,519</u>	<u>5,284,178</u>
	<hr/> 13,372,918	<hr/> 11,147,022

T'it'q'et Administration
Notes to the Consolidated Financial Statements
For the year ended March 31, 2021

13. Indigenous Services Canada funding reconciliation

	2021	2020
Direct Funding		
ISC revenue per confirmation	4,125,688	3,596,727
<u>ISC surplus (recovery) during the year</u>	<u>2,480</u>	<u>(99,194)</u>
	4,128,168	3,497,533

14. Budget information

Canadian public sector accounting standards require the disclosure of budget information for comparison to T'it'q'et's actual revenues and expenses based on the original approved budget. 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 June 8, 2020. Budget information was not prepared for the full scope of activities performed by T'it'q'et for the year ended March 31, 2021. Budget information was not prepared, available or approved for several departments.

15. Financial Instruments

T'it'q'et as part of its operations carries a number of financial instruments. It is management's opinion that the T'it'q'et 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 T'it'q'et to concentrations of credit risk consist primarily of cash and cash equivalents, accounts receivable, related party balances and portfolio investments. The maximum credit risk exposure is \$9,007,075 (2020 - \$6,663,939). T'it'q'et manages its credit risk by holding cash and cash equivalents with a chartered financial institution or government agency and holding portfolio investments in well diversified portfolios. T'it'q'et believes that there is a minimal risk associated with accounts receivable as the majority of receivables are either from government agencies or from members. The maximum credit risk exposure has increased from 2020.

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. T'it'q'et is exposed to interest rate risk primarily relating to its portfolio investments and long-term debt. There has been no change to the risk exposure from 2020.

16. 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 T'it'q'et to continue operations is dependent upon the Government of Canada's continued financial commitments as guaranteed by these agreements.

T'it'q'et Administration
Notes to the Consolidated Financial Statements
For the year ended March 31, 2021

17. Segments

T'it'q'et 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 T'it'q'et.
- Education: Includes revenue and expenses related to primary, secondary and post secondary education of the members of T'it'q'et.
- 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 T'it'q'et.
- Housing: Includes revenue and expenses related to T'it'q'et owned and social housing programs of T'it'q'et.
- Resources: Includes revenue and expenses related to conservation and stewardship of T'it'q'et's land and resources.
- Taxation: Includes revenue and expenses related to T'it'q'et Taxation Authority.

T'it'q'et Administration
Schedule 1 - Consolidated Schedule of Tangible Capital Assets
For the year ended March 31, 2021

	<i>Land and improvements</i>	<i>Buildings</i>	<i>Infrastructure</i>	<i>Equipment</i>	<i>Motor Vehicles</i>	<i>Subtotal</i>
Cost						
Balance, beginning of year	824,118	19,048,351	3,727,547	608,112	352,583	24,560,711
Acquisition of tangible capital assets	-	-	452,621	-	56,045	508,666
Construction-in-progress	-	-	-	-	-	-
Transfer from construction-in-progress	-	-	212,532	-	-	212,532
Balance, end of year	824,118	19,048,351	4,392,700	608,112	408,628	25,281,909
Accumulated amortization						
Balance, beginning of year	-	8,142,452	2,342,691	586,165	333,894	11,405,202
Annual amortization	-	553,911	102,500	4,389	22,420	683,220
Balance, end of year	-	8,696,363	2,445,191	590,554	356,314	12,088,422
Net book value of tangible capital assets	824,118	10,351,988	1,947,509	17,558	52,314	13,193,487
2020 Net book value of tangible capital assets	824,118	10,905,899	1,384,856	21,947	18,689	13,157,529

T'it'q'et Administration
Schedule 1 - Consolidated Schedule of Tangible Capital Assets
For the year ended March 31, 2021

	<i>Subtotal</i>	<i>Construction in progress</i>	2021	2020
Cost				
Balance, beginning of year	24,560,711	212,532	24,773,243	24,560,711
Acquisition of tangible capital assets	508,666	-	508,666	-
Construction-in-progress	-	-	-	212,532
Transfer from construction-in-progress	212,532	(212,532)	-	-
Balance, end of year	25,281,909	-	25,281,909	24,773,243
Accumulated amortization				
Balance, beginning of year	11,405,202	-	11,405,202	10,734,436
Annual amortization	683,220	-	683,220	670,766
Balance, end of year	12,088,422	-	12,088,422	11,405,202
Net book value of tangible capital assets	13,193,487	-	13,193,487	13,368,041
2020 Net book value of tangible capital assets	13,157,529	212,532	13,368,041	

T'it'q'et Administration
Schedule 2 - Consolidated Schedule of Expenses by Object
For the year ended March 31, 2021

	2021 Budget (Note 14)	2021 Actual	2020
Consolidated expenses by object			
Administration	226,499	3,300	14,967
Allocation to replacement reserve	18,000	41,003	42,102
Amortization	-	683,220	670,766
Bank charges and interest	-	7,752	8,846
Community donations	-	121,409	136,195
Contracted services	427,993	433,083	591,864
Emergency funding	49,500	63,288	-
GST and sales tax	-	4,622	4,170
Health	-	13,176	6,393
Honoraria	284,335	165,052	104,257
Insurance	73,531	115,307	92,257
Interest on long-term debt	433,387	249,463	267,008
Materials	-	356,567	178,111
National child benefit - projects	11,585	11,225	33,686
Office supplies and expenses	792,800	342,743	171,087
Professional fees	448,714	201,545	145,430
Program education	8,000	6,308	15,738
Program expense	213,938	160,376	222,471
Rental	246,600	184,875	159,618
Repairs and maintenance	606,766	540,974	820,177
Salaries and benefits	2,058,952	1,753,776	1,617,177
Social assistance	784,227	541,133	552,275
Student expenses	-	69,606	58,837
Telephone and internet	50,840	57,614	51,226
Training	83,619	42,439	157,934
Travel	218,679	145,750	254,956
Tuition	191,156	177,944	178,648
Utilities	304,529	173,338	169,953
Vehicle and fuel	-	60,162	85,386
	7,533,650	6,727,050	6,811,535

T'it'q'et Administration
Administration
Schedule 3 - Consolidated Schedule of Revenue and Expenses
For the year ended March 31, 2021

	2021 Budget (Note 14)	2021 Actual	2020
Revenue			
Indigenous Services Canada	349,011	421,874	427,755
Department of Fisheries and Oceans Canada	-	9,650	-
Trust allocation	-	397,387	391,073
Other revenue	1,269,259	384,420	209,283
BC FN Gaming	-	363,209	340,207
Rental income	141,159	338,050	347,680
BC Hydro	-	118,786	133,818
Province of British Columbia	-	60,000	19,000
Investment income	60,073	41,745	100,489
ASETS	-	26,532	56,036
GST and sales tax rebates	-	19,262	9,592
ISETS	-	7,417	19,175
Taxation	15,000	6,000	20,000
WOP	6,453	5,928	7,113
First Nations Health Authority	-	-	5,377
	1,840,955	2,200,260	2,086,598
Expenses			
Administration fee (recovery)	28,962	(196,203)	(192,596)
Bank charges and interest	-	5,097	5,592
Contracted services	144,861	63,776	153,899
GST and Sales tax	-	4,623	4,170
Health	-	11,386	2,392
Honoraria	143,310	94,802	61,613
Insurance	35,622	51,482	33,190
Interest on long-term debt	230,087	119,404	122,482
Materials	-	67,353	62,979
Office supplies and expenses	206,722	82,206	138,421
Professional fees	132,618	53,616	67,591
Program expense	41,858	47,831	69,482
Rental	134,259	69,442	61,918
Repairs and maintenance	73,695	23,601	61,099
Salaries and benefits	657,147	529,365	529,177
Telephone and internet	20,562	21,986	20,163
Training	19,132	9,821	94,781
Travel	78,914	48,979	76,675
Utilities	-	14,241	15,767
Vehicle and fuel	-	19,515	9,590
	1,947,749	1,142,323	1,398,385
Surplus (deficit)	(106,794)	1,057,937	688,213
Accumulated surplus, beginning of year	-	3,535,513	3,364,890
Transfer between departments	-	(448,038)	(414,985)
Principal payments on long-term debt	-	(105,683)	(102,605)
Accumulated surplus (deficit), end of year	(106,794)	4,039,729	3,535,513

T'it'q'et Administration
Public Works
Schedule 4 - Consolidated Schedule of Revenue and Expenses
For the year ended March 31, 2021

	2021 Budget (Note 14)	2021 Actual	2020
Revenue			
Indigenous Services Canada	435,882	913,318	964,619
Rental income	91,933	89,473	97,726
Allocation to replacement reserve	-	60,000	-
Taxation	78,500	62,700	63,500
Other revenue	-	32,706	75,000
ASETS	-	23,454	-
Province of British Columbia	-	-	100,000
	606,315	1,181,651	1,300,845
Expenses			
Administration fee (recovery)	13,000	(1,785)	16,158
Amortization	-	511,551	488,742
Bank charges and interest	-	2,655	3,254
Contracted services	61,200	164,926	194,324
Honoraria	-	-	550
Insurance	20,225	25,895	18,853
Interest on long-term debt	203,300	90,231	99,059
Materials	-	54,928	25,690
Office supplies and expenses	311,003	10,611	8,207
Professional fees	122,877	1,700	5,222
Program expense	-	17,034	27,737
Rental	-	13,112	12,976
Repairs and maintenance	83,000	206,737	220,048
Salaries and benefits	259,844	214,641	200,607
Telephone and internet	15,600	18,896	18,628
Training	3,000	2,606	3,712
Travel	22,700	9,897	13,570
Utilities	304,529	147,518	143,412
Vehicle and fuel	-	37,980	70,846
	1,420,278	1,529,133	1,571,595
Deficit	(813,963)	(347,482)	(270,750)
Accumulated surplus, beginning of year	-	5,176,724	4,966,176
Transfer between departments	-	366,903	378,693
Principal payments on long-term debt	-	105,683	102,605
Accumulated surplus (deficit), end of year	(813,963)	5,301,828	5,176,724

T'it'q'et Administration
Housing
Schedule 5 - Consolidated Schedule of Revenue and Expenses
For the year ended March 31, 2021

	2021 Budget (Note 14)	2021 Actual	2020
Revenue			
Indigenous Services Canada	76,050	76,050	596,942
Canada Mortgage and Housing Corporation			
Non-profit on-reserve housing	-	326,937	184,545
Home adaptations for seniors independence program	-	-	34,632
Rental income	62,160	195,928	202,272
Province of British Columbia	-	157,000	-
Allocation to replacement reserve	-	49,942	54,549
Other revenue	39,360	58,305	52,475
Investment income	-	2,178	11,462
	177,570	866,340	1,136,877
Expenses			
Administration	7,803	26,543	28,566
Allocation to replacement reserve	18,000	41,003	42,102
Amortization	-	171,669	182,024
Contracted services	76,050	23,565	14,500
Insurance	6,914	33,544	35,673
Interest on long-term debt	-	39,829	45,467
Professional fees	-	7,716	9,645
Repairs and maintenance	415,915	275,911	522,107
Utilities	-	9,542	8,071
	524,682	629,322	888,155
Surplus (deficit)	(347,112)	237,018	248,722
Accumulated surplus, beginning of year	-	1,422,969	1,142,247
Transfer between departments	-	40,000	32,000
Accumulated surplus (deficit), end of year	(347,112)	1,699,987	1,422,969

T'it'q'et Administration
Community and Human Services
Schedule 6 - Consolidated Schedule of Revenue and Expenses
For the year ended March 31, 2021

	2021 Budget (Note 14)	2021 Actual	2020
Revenue			
Indigenous Services Canada	1,055,237	1,580,871	765,979
First Nations Health Authority	635,697	844,016	671,120
Other revenue	126,348	147,434	209,913
Rental income	-	3,000	-
Taxation	-	-	5,000
	1,817,282	2,575,321	1,652,012
Expenses			
Administration	77,600	77,003	88,311
Community donations	-	350	1,000
Contracted services	45,382	102,667	106,254
Emergency Funding	49,500	38,288	-
Health	-	1,790	4,002
Honoraria	22,050	29,350	-
Insurance	2,200	2,100	2,236
Materials	-	134,909	58,489
National child benefit - projects	11,585	11,225	33,686
Office supplies and expenses	120,388	237,636	3,918
Professional fees	-	1,666	-
Program expense	119,880	87,571	103,457
Rental	53,241	59,887	53,724
Repairs and maintenance	11,656	12,672	5,148
Salaries and benefits	561,714	532,984	458,382
Social assistance	784,226	541,133	552,275
Telephone and internet	6,329	5,704	5,286
Training	37,487	14,256	42,715
Travel	69,082	76,744	138,096
Utilities	-	1,272	1,357
Vehicle and fuel	-	2,213	2,469
	1,972,320	1,971,420	1,660,805
Surplus (deficit)	(155,038)	603,901	(8,793)
Accumulated surplus, beginning of year	-	124,854	150,386
Transfer between departments	-	41,985	(16,739)
Accumulated surplus (deficit), end of year	(155,038)	770,740	124,854

T'it'q'et Administration
Education
Schedule 7 - Consolidated Schedule of Revenue and Expenses
For the year ended March 31, 2021

	2021 Budget (Note 14)	2021 Actual	2020
Revenue			
Indigenous Services Canada	426,733	570,293	475,944
Other revenue	34,689	328,131	136,132
	461,422	898,424	612,076
Expenses			
Administration	22,974	22,974	24,614
Contracted services	-	1,611	48,011
Emergency Funding	-	25,000	-
Honoraria	13,000	-	1,711
Insurance	2,000	1,686	1,705
Materials	-	77,280	24,111
Office supplies and expenses	76,756	884	1,627
Professional fees	32,844	1,666	-
Program education	8,000	6,308	15,738
Program expense	-	6,680	21,794
Rental	28,100	15,433	10,000
Repairs and maintenance	13,000	2,264	2,405
Salaries and benefits	261,580	199,505	149,327
Student expenses	-	69,606	58,837
Telephone and internet	3,500	8,810	5,855
Training	5,000	15,756	10,964
Travel	16,308	3,628	584
Tuition	191,156	177,944	178,648
Utilities	-	764	1,347
Vehicle and fuel	-	453	2,469
	674,218	638,252	559,747
Surplus (deficit)	(212,796)	260,172	52,329
Accumulated surplus, beginning of year	-	249,592	180,120
Transfer between departments	-	(15,061)	17,143
Accumulated surplus (deficit), end of year	(212,796)	494,703	249,592

**T'it'q'et Administration
Resources**
Schedule 8 - Consolidated Schedule of Revenue and Expenses
For the year ended March 31, 2021

	2021 Budget (Note 14)	2021 Actual	2020
Revenue			
Indigenous Services Canada	277,730	565,762	266,294
Department of Fisheries and Oceans Canada	-	35,124	17,500
Other revenue	460,929	483,067	476,696
Taxation	2,000	2,000	2,000
Province of British Columbia	-	-	200,000
	740,659	1,085,953	962,490
Expenses			
Administration	61,660	66,644	45,109
Contracted services	100,500	76,539	74,875
Honoraria	105,975	40,900	40,383
Insurance	6,570	600	600
Materials	-	22,098	6,842
Office supplies and expenses	92,432	9,744	17,315
Professional fees	160,375	121,028	34,458
Program expense	52,200	1,260	-
Rental	31,000	27,000	21,000
Repairs and maintenance	9,500	19,789	8,820
Salaries and benefits	318,667	277,281	273,684
Telephone and internet	4,850	2,218	1,294
Training	19,000	-	5,762
Travel	31,674	6,502	25,596
Vehicle and fuel	-	-	13
	994,403	671,603	555,751
Surplus (deficit)	(253,744)	414,350	406,739
Accumulated surplus, beginning of year	-	637,370	226,742
Transfer between departments	-	14,211	3,889
Accumulated surplus (deficit), end of year	(253,744)	1,065,931	637,370

T'it'q'et Administration
Taxation
Schedule 9 - Consolidated Schedule of Revenue and Expenses
For the year ended March 31, 2021

	2021 Budget (Note 14)	2021 Actual	2020
Revenue			
Taxation	-	144,908	131,618
Other revenue	-	50	6,608
Investment income	-	39	530
	-	144,997	138,756
Expenses			
Administration	-	8,124	4,807
Community donations	-	121,059	135,195
Office supplies and expenses	-	1,661	1,598
Professional fees	-	14,153	28,514
Repairs and maintenance	-	-	550
Salaries and benefits	-	-	6,000
Travel	-	-	433
	-	144,997	177,097
Surplus (deficit)	-	-	(38,341)
Accumulated surplus, beginning of year	-	-	38,341
Accumulated surplus, end of year	-	-	-