

Tsal'ah
Consolidated Financial Statements
March 31, 2018

Tsal'alh Contents

For the year ended March 31, 2018

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Management's Responsibility

To the Members of Tsal'alh (Seton Lake Indian Band):

The accompanying consolidated financial statements of Tsal'alh (Seton Lake Indian 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 Tsal'alh (Seton Lake Indian Band) Council is responsible for overseeing management in the performance of its financial reporting responsibilities, and for approving the financial statements. The Council fulfils these responsibilities by reviewing the financial information prepared by management and discussing relevant matters with management and external auditors. The Council is also responsible for recommending the appointment of the Nation's external auditors.

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

July 19, 2018

(signature on file) Administrator

Independent Auditors' Report

To the Members of Tsal'alh (Seton Lake Indian Band):

We have audited the accompanying consolidated financial statements of Tsal'alh (Seton Lake Indian Band), which comprise the consolidated statement of financial position as at March 31, 2018, and the consolidated statements of operations and accumulated surplus, changes in net debt, cash flows and the related schedules for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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

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

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

Basis for Qualified Opinion

Tsal'alh (Seton Lake Indian Band) derives a portion of its revenue from cash sales, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of this revenue was limited to the amounts recorded in the records of the First Nation and we were not able to determine whether any adjustments might be necessary to cash, revenue, assets and accumulated surplus.

Qualified Opinion

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, these consolidated financial statements present fairly, in all material respects, the financial position of Tsal'alh (Seton Lake Indian Band) as at March 31, 2018 and the results of its operations, changes in net debt and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Kelowna, British Columbia

July 19, 2018

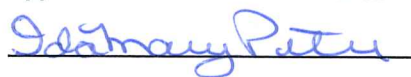
MNP LLP

Chartered Professional Accountants

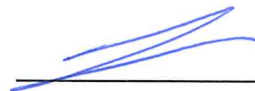
Tsal'ah
Consolidated Statement of Financial Position
As at March 31, 2018

| | 2018 | 2017 (Restated Note 21) |
|---|--------------------|-------------------------------|
| Financial assets | | |
| Cash and cash equivalents (Note 3) | 1,685,024 | 4,455,281 |
| Accounts receivable (Note 4) | 1,708,447 | 1,143,451 |
| Inventory for resale | 20,794 | 11,983 |
| Portfolio investments (Note 5) | 1,968,541 | 922,004 |
| Investment in Nation business entity (Note 6) | 2,074 | 5,069 |
| Funds held in trust (Note 7) | 993,871 | 970,468 |
| | 6,378,751 | 7,508,256 |
| Financial liabilities | | |
| Accounts payable and accruals (Note 8) | 1,386,774 | 1,666,320 |
| Deferred revenue (Note 9) | 22,313 | 116,406 |
| Long-term debt (Note 10) | 12,524,585 | 13,016,073 |
| Capital lease obligations (Note 11) | 49,880 | 63,800 |
| | 13,983,552 | 14,862,599 |
| Net debt | (7,604,801) | (7,354,343) |
| Contingent liabilities (Note 12) | | |
| Commitments (Note 13) | | |
| Guarantees (Note 15) | | |
| Non-financial assets | | |
| Tangible capital assets (Schedule 1) | 25,374,642 | 25,688,589 |
| Prepaid expenses | 15,662 | 50,175 |
| | 25,390,304 | 25,738,764 |
| Accumulated surplus (Note 17) | 17,785,503 | 18,384,421 |

Approved on behalf of the Council



Chief



Councillor

Tsal'alh

Consolidated Statement of Operations and Accumulated Surplus

For the year ended March 31, 2018

| | <i>Schedules</i> | 2018 Budget (Note 16) | 2018 | 2017 (Restated Note 21) |
|---|------------------|--------------------------------------|-------------------|--|
| Revenue | | | | |
| Indigenous Services Canada | | 2,313,875 | 3,194,600 | 5,691,172 |
| First Nations Health Authority | | 558,084 | 856,220 | 977,842 |
| Canada Mortgage and Housing Corporation | | 177,528 | 63,406 | 323,478 |
| BC Hydro | | - | 1,570,746 | 1,701,585 |
| Rental income | | 86,024 | 1,564,177 | 1,551,569 |
| Administration fees | | 75,480 | - | - |
| Other revenue | | 1,259,758 | 1,388,757 | 964,732 |
| Interest and investment income | | 15,000 | 69,944 | 68,005 |
| Province of BC | | - | 23,840 | 22,900 |
| Interior Salish Employment and Training Society (ISETS) | | 29,824 | - | - |
| | | 4,515,573 | 8,731,690 | 11,301,283 |
| Expenses | | | | |
| Administration and Governance | 3 | 669,930 | 854,084 | 831,156 |
| Development Corporation | 5 | - | 3,431,132 | 3,215,328 |
| Economic Development | 6 | 340,730 | 769,135 | 680,798 |
| Education | 7 | 1,771,704 | 1,552,628 | 1,666,205 |
| Facilities and Services | 8 | 928,730 | 943,533 | 675,793 |
| Health | 9 | 478,082 | 694,935 | 718,107 |
| Housing | 10 | 257,106 | 522,603 | 736,330 |
| Social Assistance | 11 | 382,630 | 487,945 | 459,249 |
| Other | 12 | - | 19,873 | 11,199 |
| | | 4,828,912 | 9,275,868 | 8,994,165 |
| Annual surplus (deficit) | | (357,188) | (598,918) | 2,361,857 |
| Accumulated surplus, beginning of year | | 18,384,423 | 18,384,421 | 16,022,564 |
| Accumulated surplus, end of year | | 18,148,373 | 17,785,503 | 18,384,421 |

The accompanying notes are an integral part of these financial statements

Tsal'alh
Consolidated Statement of Change in Net Debt
For the year ended March 31, 2018

| | 2018 Budget (Note 16) | 2018 | 2017 (Restated Note 21) |
|--|--------------------------------------|--------------------|--|
| Annual surplus (deficit) | (357,188) | (598,918) | 2,361,857 |
| Purchases of tangible capital assets | - | (944,652) | (4,665,762) |
| Purchases of tangible capital assets under capital lease | - | - | (76,560) |
| Amortization of tangible capital assets | 130,000 | 1,258,599 | 1,115,407 |
| Proceeds of disposal of tangible capital assets | - | - | 16,000 |
| Acquisition of prepaid expenses | - | (15,669) | (50,182) |
| Use of prepaid expenses | - | 50,182 | 38,937 |
| Gain on disposal of tangible capital assets | - | - | (3,537) |
| Increase in net debt | (227,188) | (250,458) | (1,263,840) |
| Net debt, beginning of year | (7,354,343) | (7,354,343) | (6,090,503) |
| Net debt, end of year | (7,581,531) | (7,604,801) | (7,354,343) |

The accompanying notes are an integral part of these financial statements

Tsal'alh
Consolidated Statement of Cash Flows
For the year ended March 31, 2018

| | 2018 | 2017 (Restated Note 21) |
|---|--------------------|-------------------------------|
| Cash provided by (used for) the following activities | | |
| Operating activities | | |
| Annual surplus (deficit) | (598,918) | 2,361,857 |
| Non-cash items | | |
| Amortization | 1,258,599 | 1,115,405 |
| Decrease (increase) in investment in Nation partnership | 2,996 | (5,069) |
| | 662,677 | 3,472,193 |
| Changes in working capital accounts | | |
| Accounts receivable | (564,996) | (135,778) |
| Prepaid expenses | 34,513 | (11,245) |
| Inventory | (8,811) | 4,790 |
| Accounts payable and accruals | (293,465) | (417,318) |
| Deferred revenue | (94,093) | (180,008) |
| | (264,175) | 2,732,634 |
| Financing activities | | |
| Advances of long-term debt | - | 2,387,764 |
| Repayment of long-term debt | (491,488) | (212,938) |
| | (491,488) | 2,174,826 |
| Capital activities | | |
| Purchases of tangible capital assets | (944,652) | (4,665,762) |
| Proceeds of disposal of tangible capital assets | - | 16,000 |
| | (944,652) | (4,649,762) |
| Investing activities | | |
| Decrease in note receivable | - | 40,845 |
| Decrease in loans receivable | - | 7,057 |
| Increase in portfolio investments | (1,046,538) | (191,692) |
| Increase in funds held in trust | (23,403) | (20,281) |
| | (1,069,941) | (164,071) |
| Increase (decrease) in cash resources | (2,770,256) | 93,627 |
| Cash resources, beginning of year | 4,455,281 | 4,361,654 |
| Cash resources, end of year | 1,685,025 | 4,455,281 |

The accompanying notes are an integral part of these financial statements

1. Operations

Tsal'alh (the "First Nation") is a First Nations village government operating out of Shalalth, British Columbia. The First Nation is responsible for the well-being of its community and enacts legal policies and programs in the areas of Administration and Governance, Capital, Economic Development, Education, Facilities and Services, Health, Housing and Social Assistance. The First Nation is also mandated to take actions to protect the well-being of members and the community and to establish cultural programs and undertake initiatives in economic development.

2. Significant accounting policies

These consolidated financial statements of the First Nation are prepared by management in accordance with Canadian public sector accounting standards as recommended by the Public Accounting Standards Board (PSAB) of CPA Canada. Significant accounting policies adopted by the First Nation are as follows:

Reporting entity

The financial statements consolidate the financial activities of all entities and departments comprising the First Nation reporting entity, except for First Nation business entities. Trusts administered on behalf of third parties by the First Nation are excluded from the First Nation reporting entity.

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

- Tsal'alh Development Corp.
- Tsal'alh Development Limited Partnership
- TDC Contract Management Corp.
- TDC Contract Management Limited Partnership
- Sixxets Property Management Corp.
- Sixxets Property Management Limited Partnership
- Crane's Landing RV Park Corp.
- Crane's Landing RV Park Limited Partnership
- Lil'-Tem' Mountain Hotel Corp.
- Lil'-Tem' Mountain Hotel Limited Partnership
- Lillooet's Finest Water Corp.
- Tsal'alhmec Holding Corp.

A First Nation business partnership, jointly controlled by the Nation's Council and another party, but not dependent on the First Nation for its continuing operations, is included in the consolidated financial statements using the modified equity method. Under the modified equity method, the equity method of accounting is modified only to the extent that the business entity accounting principles are not adjusted to conform to those of the First Nation. Thus, the Nation's investment in this entity 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. The entity accounted for by the modified equity basis is: TDC-IVL Contracting Ltd.

All inter-entity balances and transactions have been eliminated on consolidation.

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.

Portfolio investments

Long-term investments, marketable securities and guaranteed investment certificates in entities that are not owned, controlled or influenced by the First Nation reporting entity are accounted for using the cost method. They are recorded at cost, less any provision for other than temporary impairment.

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

Funds held in trust

Funds held in trust on behalf of First Nation 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 moneys consist of:

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

Inventory for resale

Inventory is valued at the lower of cost and net realizable value. Cost is determined by the first-in, first-out (FIFO) method. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and selling costs.

Net financial assets (net debt)

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

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.

Tangible capital assets

Tangible capital assets are initially recorded at cost based on historical cost accounting records. Contributed tangible assets are recorded at their fair value at the date of contribution.

Capital lease

A lease that transfers substantially all of the benefits and risks of ownership is classified as a capital lease. At the inception of a capital lease, an asset and a payment obligation is recorded at the present value of the minimum lease payments. Assets under capital leases are amortized on a declining balance basis, over their estimated useful lives. All other leases are accounted for as operating leases and rental payments are expensed as incurred.

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

Amortization

Assets under construction are not amortized until the asset becomes available for use.

Tangible capital assets are amortized annually using the declining balance method at rates intended to amortize the cost of the assets over their estimated useful lives:

| | Rate |
|--|-------------|
| Buildings | 4 % |
| Automotive equipment | 10-30 % |
| Internet service provider | 20 % |
| Infrastructure, subdivision and water system | 4 % |
| Machinery and equipment | 20 % |
| Office equipment | 20 % |
| Physical development plan | 20 % |
| Assets under capital lease | 20 % |
| Hotel | 4 % |
| Signage | 20 % |

Revenue recognition

i) Government transfers

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

ii) Fund held in trust

The First Nation recognizes revenue of the Capital and Revenue Trust Fund at the time funds are contributed from the accounts held in Ottawa. Interest revenue is recognized when received.

iii) Other

Investment income reported on investments not subject to significant influence is recorded as revenue in the period earned.

Rental and other revenue is recognized when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Long-lived assets

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

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

Measurement uncertainty (use of estimates)

The preparation of 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 financial statements, and the reported amounts of revenue and expenses during the reporting period.

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

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

Liability for contaminated sites

A liability for remediation of a contaminated site is recognized at the best estimate of the amount required to remediate the contaminated site when contamination exceeding an environmental standard exists, the First Nation is either directly responsible or accepts responsibility, it is expected that future economic benefits will be given up, and a reasonable estimate of the amount is determinable. The best estimate of the liability includes all costs directly attributable to remediation activities and is reduced by expected net recoveries based on information available at March 31, 2018.

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

As at March 31, 2018, the First Nation's estimated liability for contaminated sites was \$nil.

Segments

The First Nation conducts its business through nine reportable segments: Administration and Governance, Development Corporation, Economic Development, Education, Facilities and Services, Health, Housing, Social Assistance and Other. These operating segments are established by senior management to facilitate the achievement of the First Nation's long-term objectives to aid in resource allocation decisions, and to assess operational performance.

For each reported segment, revenue and expenses represent both amounts that are directly attributable to the segment and amounts that are allocated on a reasonable basis. Therefore, certain allocation methodologies are employed in the preparation of segmented financial information.

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

Change in accounting policies

Effective April 1, 2017, the First Nation adopted the recommendations relating to the following Sections, as set out in the CPA Canada Public Sector Accounting Standards Handbook:

- PS 2200 Related Party Disclosures
- PS 3420 Inter-entity Transactions
- PS 3210 Assets
- PS 3320 Contingent Assets
- PS 3380 Contractual Rights

Pursuant to the recommendations, the changes were applied prospectively, and prior periods have not been restated. There was no material impact on the consolidated financial statements of adopting the new Sections.

Tsal'alh
Notes to the Consolidated Financial Statements
For the year ended March 31, 2018

3. Cash and cash equivalents

(a) Included in cash and cash equivalents are externally restricted funds as follows:

| | 2018 | 2017 |
|---------------------------|----------------|---------|
| Deferred revenue (Note 9) | 22,313 | 116,406 |
| Cash | 410,950 | 567,765 |
| | 433,263 | 684,171 |

The cash balance of \$410,950 is externally restricted by The St'at'imc (PC) 2011 Trust agreement, of which the First Nation is a beneficiary

(b) Lines of Credit

The First Nation has available the following lines of credit, all secured by a general security agreement including an overdraft lending agreement:

- A \$250,000 revolving line of credit with interest charged at the Bank of Montreal prime rate plus 1% per annum. At March 31, 2018, the outstanding line of credit balance was \$nil (2017 - \$nil). The prime rate is 3.45% (2017 - 2.70%)
- A \$725,000 overdraft line of credit for the Tsal'alh Development Corporation with interest charged at the Bank of Montreal prime rate plus 1% per annum. At March 31, 2018, the outstanding line of credit balance was \$nil (2017 - \$nil).

4. Accounts receivable

| | 2018 | 2017 (Restated Note 21) |
|---|------------------|-------------------------------|
| Indigenous Services Canada | 68,892 | 20,155 |
| First Nation Health Authority | 2,332 | 2,332 |
| Canada Mortgage and Housing Corporation | 5,287 | 5,280 |
| Due from members and related associations | 205,024 | 190,277 |
| Tax receivables | 23,032 | - |
| Trade and other receivables | 984,127 | 905,294 |
| BC Hydro | 830,575 | 359,971 |
| Allowance for doubtful accounts | (410,822) | (339,858) |
| | 1,708,447 | 1,143,451 |

5. Portfolio investments

Included in portfolio investments are externally restricted funds in the amount of \$434,563 (2017 - \$475,654) which include guaranteed investment certificates, with interest rates of 0.5%-1.0%.

Tsal'alh
Notes to the Consolidated Financial Statements
For the year ended March 31, 2018

6. Investment in Nation business entity

The First Nation has an investment in the following entity:

| | | | 2018 |
|--|----------------------------|---|-----------------------------|
| | <i>Investment cost</i> | <i>Cumulative share of earnings</i> | <i>Total investment</i> |
| First Nation Business Entity – Modified Equity: | | | |
| TDC-IVL Contracting Ltd. - 51% | 5 | 2,069 | 2,074 |
| | | | 2017 |
| | <i>Investment cost</i> | <i>Cumulative share of earnings</i> | <i>Total investment</i> |
| First Nation Business Entity – Modified Equity: | | | |
| TDC-IVL Contracting Ltd. - 51% | 5 | 5,064 | 5,069 |

The First Nation's investment in TDC- IVL Contracting Ltd. was established for the purpose of managing construction contracts for ongoing projects in the First Nation.

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

| | <i>TDC-IVL Contracting Ltd. As at March 31, 2018</i> |
|-------------------------------|---|
| Assets | |
| Cash | 1,359 |
| Income taxes receivable | 952 |
| Prepaid expenses | 3,558 |
| Advances to related parties | 5 |
| Total assets | 5,874 |
| Liabilities | |
| Accounts payable and accruals | 1,808 |
| Total liabilities | 1,808 |
| Equity | 4,066 |
| Total revenue | - |
| Total expenses | 5,874 |
| Net loss | (5,874) |

Tsal'alh
Notes to the Consolidated Financial Statements
For the year ended March 31, 2018

7. Funds held in trust

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

| | 2018 | 2017 |
|------------------------------------|----------------|----------------|
| Capital Trust | | |
| Balance, beginning and end of year | 8,774 | 8,774 |
| Revenue Trust | | |
| Balance, beginning of year | 961,694 | 941,413 |
| Additions | 23,403 | 20,281 |
| Balance, end of year | 985,097 | 961,694 |
| | 993,871 | 970,468 |

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. Accounts payable and accruals

| | 2018 | 2017 (Restated Note 21) |
|--|------------------|-------------------------------|
| Trade payables and other accrued liabilities | 915,877 | 1,169,236 |
| Indigenous Services Canada | 300,806 | 280,879 |
| First Nation Health Authority | 14,082 | 14,082 |
| Accrued salaries and employee benefits payable | 156,009 | 202,123 |
| | 1,386,774 | 1,666,320 |

9. Deferred revenue

| | <i>Balance, beginning of year</i> | <i>Revenue received</i> | <i>Transferred to revenue</i> | <i>Balance, end of year</i> |
|----------------------------|---|-----------------------------|-----------------------------------|---------------------------------|
| Indigenous Services Canada | 116,306 | - | 116,306 | - |
| Other | 100 | 22,213 | - | 22,313 |
| | 116,406 | 22,213 | 116,306 | 22,313 |

Tsal'alh
Notes to the Consolidated Financial Statements
For the year ended March 31, 2018

10. Long-term debt

| | 2018 | 2017 |
|--|-------------------|-------------|
| All Nations Trust Company - Phase 4 Mortgage repayable in monthly instalments of \$1,045, including interest at 1.05% per annum; due for renewal January 1, 2020 and matures January 1, 2020; guaranteed by Indigenous Services Canada. | 22,763 | 34,995 |
| All Nations Trust Company - Phase 5 Mortgage repayable in monthly instalments of \$1,417, including interest at 1.11% per annum; due for renewal January 1, 2021 and matures January 1, 2021; guaranteed by Indigenous Services Canada. | 47,413 | 76,371 |
| All Nations Trust Company - Phase 6 Mortgage repayable in monthly instalments of \$1,697, including interest at 1.11% per annum; due for renewal January 1, 2021 and matures January 1, 2021; guaranteed by Indigenous Services Canada. | 56,760 | 63,796 |
| All Nations Trust Company - Phase 7 Mortgage repayable in monthly instalments of \$2,213, including interest at 1.84% per annum; due for renewal June 1, 2022 and matures June 1, 2022; guaranteed by Indigenous Services Canada. | 108,801 | 133,237 |
| All Nations Trust Company - Full Phase 1 Mortgage repayable in monthly instalments of \$2,072, including interest at 1.03% per annum; due for renewal October 1, 2021 and matures August 1, 2026; guaranteed by Indigenous Services Canada. | 200,376 | 223,052 |
| All Nations Trust Company - Full Phase 2 Mortgage repayable in monthly instalments of \$1,515, including interest at 1.11% per annum; due for renewal April 1, 2021 and matures March 1, 2031; guaranteed by Indigenous Services Canada. | 219,965 | 235,610 |
| Bank of Montreal - Due on demand; repayable in monthly instalments of \$3,770 plus interest at prime + 1%; matures November 14, 2029; secured by a general security agreement. | 414,832 | 442,609 |
| Bank of Montreal - Due on demand; repayable in monthly instalments of \$57,473 including interest at prime + 1%; matures July 19, 2026; secured by a general security agreement. | 10,620,115 | 10,911,129 |
| Bank of Montreal - Demand loan repaid during the year. | - | 390,000 |
| Bank of Montreal - Due on demand; repayable in monthly instalments of \$5,461 plus interest at prime + 1%; matures February 20, 2020; secured by a general security agreement. | 460,377 | 505,274 |
| Bank of Montreal - Due on demand; repayable in monthly instalments of \$2,842 including interest at 3.05%; matures June 30, 2031; secured by a general security agreement. | 373,183 | - |
| | 12,524,585 | 13,016,073 |

Tsal'alh
Notes to the Consolidated Financial Statements
For the year ended March 31, 2018

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:

| | |
|------|---------|
| 2019 | 111,137 |
| 2020 | 110,949 |
| 2021 | 95,109 |
| 2022 | 65,952 |
| 2023 | 47,274 |

Interest on long-term debt amounted to \$427,221 (2017 - \$442,770).

11. Capital lease obligation

| | 2018 | 2017 |
|--|---------------|--------|
| Obligation under capital lease payable in equal monthly installments of \$1,160, maturing July 2022. | 49,880 | 63,800 |
| Less: current portion | 13,920 | 13,920 |
| | 35,960 | 49,880 |

Minimum lease payments related to the obligation under capital lease are as follows:

| | |
|-----------------------|---------------|
| 2019 | 13,920 |
| 2020 | 13,920 |
| 2021 | 13,920 |
| 2022 | 8,120 |
| Balance of obligation | 49,880 |
| Less: current portion | 13,920 |
| | 35,960 |

12. Contingent liabilities

The First Nation has entered into contribution agreements with various federal government departments. Funding received under these contribution agreements is subject to repayment if the First Nation fails to comply with the terms and conditions of the agreements.

13. Commitments

The First Nation has committed to the construction of four new houses for Band Members. The total costs incurred to March 31, 2018 are included in assets under construction (Schedule 1).

14. Economic dependence

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

15. Guarantees

As part of a residential mortgage special loan program, the First Nation has provided an on-reserve housing loan guarantee. The maximum amount payable under the guarantee at March 31, 2018 was \$1,000,000 (2017 - \$1,000,000) which is payable if the Band Member's housing loan goes into default. The guarantee is in place for 10 years, which is the duration of the loan.

As at March 31, 2018, no liability (2017 - \$nil) has been recorded associated with this guarantee.

The First Nation has guaranteed CMHC RRAP loans on behalf of band members that are forgivable on the condition that the First Nation continues to own the unit and it is occupied by band members with a total household income at or below the income threshold during the earning period of the loans. If the First Nation sells, transfers or ceases to operate the property before the maturity date, the unearned forgivable loan plus interest will immediately become due and payable. The balance of the loans at March 31, 2018 is \$250,658 (2017 - \$334,210). No amount has been recorded by the First Nation.

16. Budget information

The disclosed budget information has been approved by the Chief and Council of the First Nation at the council meeting held on May 15, 2017. Certain budget figures have been reclassified to conform with current year's operations presented.

Budgets were not prepared for the following segments:

- Capital Asset Fund
- Development Corporation
- Other

As such, the budget figures in the Consolidated Statement of Operations and Accumulated Surplus are not presented for the same scope of activities as the actual results.

Budget figures in the Consolidated Statement of Operations and Accumulated Surplus are presented using the same basis of accounting as the actual results. A reconciliation of these amounts to the amounts budgeted is as follows:

| | |
|---|------------------|
| Budgeted annual deficit approved by Chief and Council | (322,652) |
| Adjusted for: | - |
| Transfers to Governance that are not income | (1,301) |
| Administration fees | (45,235) |
| Replacement reserve expenses | 12,000 |
| Budgeted annual deficit, per the Statement of Operations and Accumulated Surplus | (357,188) |

Tsal'alh
Notes to the Consolidated Financial Statements
For the year ended March 31, 2018

17. Accumulated operating surplus

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

| | 2018 | 2017 <i>(Restated Note 21)</i> |
|---|--------------------|--|
| Investment in tangible capital assets | 12,598,997 | 12,608,716 |
| Restricted cash | 433,163 | 684,171 |
| Externally restricted portfolio investments | 434,563 | 475,654 |
| Trust funds held by federal government - capital account | 8,774 | 8,774 |
| Internally restricted cash - BC Rail | 1,022,006 | 1,022,006 |
| Internally restricted cash - St'at'imc Agreement - Community Fund | 4,876,570 | 4,589,776 |
| Investment in Nation Partnerships | 2,074 | 5,069 |
| Trust funds held by federal government - revenue account | 985,097 | 961,694 |
| | 20,361,244 | 20,355,860 |
| Unfunded deficit | (2,575,741) | (1,971,439) |
| | 17,785,503 | 18,384,421 |

18. Comparative figures

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

19. Segments

The First Nation receives revenue and expenses from many different projects and sources. For management and reporting purposes, the revenue, expenses and surplus or deficits are organized by segments. Schedules 3 to 12 disclose the details of the First Nation's revenue and expenses by segment. All inter-departmental transactions have been eliminated upon consolidation and are therefore not included within the segments. The First Nation is organized into the following segments:

Administration and Governance

This segment provides band support, governance and administrative services for the operations of the First Nation, including various financial functions such as payroll, accounts receivable and accounts payable. Governance acts as a governing body through top down initiatives and it is responsible for the oversight of the collaboration of community development/economic programs, the facilitating of networks involving public and private partnerships, marketing and the allocation of resources to maintain the well-being of the First Nation community and its members.

Development Corporation

This segment is comprised of business activities that are performed in the pursuit of economic and business development. The Tsal'alh Development Corp. is responsible for generating economic activity related to BC Hydro.

Economic Development

This segment implements community economic development planning and capacity building initiatives, which are pursued to benefit the First Nation's community by enhancing employment, income generation activities, use of land and resources, economic infrastructure and business opportunities.

20. Segments *(Continued from previous page)*

Education

This segment is responsible for managing and delivering K to grade 12 education programs and services as well as the management of post-secondary and continuing adult education and support programs.

Facilities and Services

This segment implements capital projects undertaken by the First Nation and maintains community infrastructure. Community infrastructure includes buildings, infrastructure, subdivision and water system.

Health

This segment is responsible for the operation of health facilities and the delivery of programs to support child development and community health.

Housing

This segment activities reflects First Nation owned and Canada Mortgage & Housing Corporation housing rental units and repairs.

Social Assistance

This segment administers benefits and services to individuals and families living on reserve who are in need of support. Department services include income assistance, assisted living, family violence prevention and awareness, and the national child benefit reinvestment.

Other

This segment administers the various trust funds received by the Nation.

20. Supplemental disclosure of cash flow information

During the year the First Nation paid cash for interest of \$427,221 (2017 - \$442,770) and received cash for interest of \$69,944 (2017 - \$68,005). Interest capitalized and included in purchases of tangible capital assets was \$nil (2017 - \$nil).

21. Correction of error

The consolidated financial statements include prior period adjustments to reflect additional amounts consolidated into Tsal'alh from the Tsal'alh Development Corporation. As a result the expenses and liabilities were overstated, and assets and accumulated surplus were understated in the prior year. The effects of the adjustments have been applied retrospectively for comparative purposes and resulted in the following:

| | <i>As previously stated</i> | <i>Change</i> | <i>As restated</i> |
|-------------------------|---------------------------------|---------------|--------------------|
| Accounts receivable | 1,093,638 | 49,813 | 1,143,451 |
| Accounts payable | 1,801,453 | (135,133) | 1,666,315 |
| Tangible capital assets | 25,555,919 | 132,670 | 25,688,589 |
| Annual surplus | 2,044,246 | 317,613 | 2,361,859 |
| Accumulated surplus | 18,066,807 | 317,616 | 18,384,423 |

Tsal'ah
Schedule 1 - Consolidated Schedule of Tangible Capital Assets
For the year ended March 31, 2018

| | <i>Land</i> | <i>Buildings</i> | <i>Automotive equipment</i> | <i>Internet service provider</i> | <i>Infrastructure, subdivision and water system</i> | <i>Machinery and equipment</i> | <i>Subtotal</i> |
|--|---------------|------------------|---------------------------------|--|---|------------------------------------|-------------------|
| Cost | | | | | | | |
| Balance, beginning of year | 12,851 | 7,792,173 | 944,514 | 160,218 | 4,275,955 | 687,842 | 13,873,553 |
| Acquisition of tangible capital assets | - | 205,286 | 67,765 | 7,884 | 129,073 | - | 410,008 |
| Construction-in-progress | - | 241,184 | - | - | 3,012,232 | - | 3,253,416 |
| Disposal of tangible capital assets | - | - | - | - | - | - | - |
| Balance, end of year | 12,851 | 8,238,643 | 1,012,279 | 168,102 | 7,417,260 | 687,842 | 17,536,977 |
| Accumulated amortization | | | | | | | |
| Balance, beginning of year | - | 4,005,345 | 549,788 | 122,631 | 1,158,204 | 494,128 | 6,330,096 |
| Annual amortization | - | 181,809 | 104,676 | 10,716 | 188,759 | 38,743 | 524,703 |
| Accumulated amortization on disposals | - | - | - | - | - | - | - |
| Balance, end of year | - | 4,187,154 | 654,464 | 133,347 | 1,346,963 | 532,871 | 6,854,799 |
| Net book value of tangible capital assets | 12,851 | 4,051,489 | 357,815 | 34,755 | 6,070,297 | 154,971 | 10,682,178 |
| 2017 Net book value of tangible capital assets (Restated Note 21) | 12,851 | 3,900,506 | 394,726 | 37,587 | 3,117,752 | 193,714 | 7,659,153 |

Tsal'ah
Schedule 1 - Consolidated Schedule of Tangible Capital Assets
For the year ended March 31, 2018

| | <i>Subtotal</i> | <i>Office equipment</i> | <i>Physical development plan</i> | <i>Assets under construction</i> | <i>Buildings - CMHC</i> | <i>Tsal'ah Development Corp. Operations - Land</i> | <i>Subtotal</i> |
|--|-------------------|-----------------------------|--|--------------------------------------|-----------------------------|--|-------------------|
| Cost | | | | | | | |
| Balance, beginning of year | 13,873,553 | 183,433 | 32,708 | 3,265,691 | 2,714,987 | 530,785 | 20,601,157 |
| Acquisition of tangible capital assets | 410,008 | - | - | 8,850 | - | - | 418,858 |
| Construction-in-progress | 3,253,416 | - | - | (3,253,416) | - | - | - |
| Disposal of tangible capital assets | - | - | - | - | - | - | - |
| Balance, end of year | 17,536,977 | 183,433 | 32,708 | 21,125 | 2,714,987 | 530,785 | 21,020,015 |
| Accumulated amortization | | | | | | | |
| Balance, beginning of year | 6,330,096 | 162,039 | 32,284 | - | 1,938,765 | - | 8,463,184 |
| Annual amortization | 524,703 | 4,279 | 85 | - | 125,019 | - | 654,086 |
| Accumulated amortization on disposals | - | - | - | - | - | - | - |
| Balance, end of year | 6,854,799 | 166,318 | 32,369 | - | 2,063,784 | - | 9,117,270 |
| Net book value of tangible capital assets | 10,682,178 | 17,115 | 339 | 21,125 | 651,203 | 530,785 | 11,902,745 |
| 2017 Net book value of tangible capital assets (Restated Note 21) | 7,659,153 | 21,395 | 424 | 3,265,691 | 776,222 | 530,785 | 12,253,670 |

Tsal'alh
Schedule 1 - Consolidated Schedule of Tangible Capital Assets
For the year ended March 31, 2018

| | <i>Subtotal</i> | <i>Tsal'alh Development Corp. Operations - Buildings</i> | <i>Tsal'alh Development Corp. Operations - Automotive equipment</i> | <i>Tsal'alh Development Corp. Operations - Machinery and equipment</i> | <i>Tsal'alh Development Corp. Operations - Assets under construction</i> | <i>Tsal'alh Development Corp. Operations - Hotel</i> | <i>Subtotal</i> |
|--|-------------------|--|---|--|--|--|-------------------|
| Cost | | | | | | | |
| Balance, beginning of year | 20,601,157 | 1,521,102 | 138,397 | 364,598 | - | 11,169,629 | 33,794,883 |
| Acquisition of tangible capital assets | 418,858 | - | - | 67,587 | - | - | 486,445 |
| Construction-in-progress | - | - | - | - | - | - | - |
| Disposal of tangible capital assets | - | - | - | - | - | - | - |
| Balance, end of year | 21,020,015 | 1,521,102 | 138,397 | 432,185 | - | 11,169,629 | 34,281,328 |
| Accumulated amortization | | | | | | | |
| Balance, beginning of year | 8,463,184 | 115,375 | 29,554 | 148,716 | - | 635,206 | 9,392,035 |
| Annual amortization | 654,086 | 33,598 | 32,653 | 49,935 | - | 421,377 | 1,191,649 |
| Accumulated amortization on disposals | - | - | - | - | - | - | - |
| Balance, end of year | 9,117,270 | 148,973 | 62,207 | 198,651 | - | 1,056,583 | 10,583,684 |
| Net book value of tangible capital assets | 11,902,745 | 1,372,129 | 76,190 | 233,534 | - | 10,113,046 | 23,697,644 |
| 2017 Net book value of tangible capital assets (Restated Note 21) | 12,253,670 | 1,292,048 | 108,843 | 215,882 | - | 10,534,422 | 24,404,865 |

Tsal'alh
Schedule 1 - Consolidated Schedule of Tangible Capital Assets

For the year ended March 31, 2018

| | <i>Subtotal</i> | <i>Tsal'alh Development Corp. Operations - RV Park</i> | <i>Assets under lease</i> | <i>Tsal'alhmec Holdings Corp. Buildings</i> | <i>Tsal'alhmec Holdings Corp. Land</i> | <i>Subtotal</i> |
|--|-------------------|--|-------------------------------|---|--|-------------------|
| Cost | | | | | | |
| Balance, beginning of year | 33,794,883 | 841,457 | 76,560 | 347,699 | 84,449 | 35,145,048 |
| Acquisition of tangible capital assets | 486,445 | - | - | 289,617 | 147,790 | 923,852 |
| Construction-in-progress | - | - | - | - | - | - |
| Disposal of tangible capital assets | - | - | - | - | - | - |
| Balance, end of year | 34,281,328 | 841,457 | 76,560 | 637,316 | 232,239 | 36,068,900 |
| Accumulated amortization | | | | | | |
| Balance, beginning of year | 9,392,035 | 49,814 | 7,656 | 6,954 | - | 9,456,459 |
| Annual amortization | 1,191,649 | 31,666 | 13,781 | 19,423 | - | 1,256,519 |
| Accumulated amortization on disposals | - | - | - | - | - | - |
| Balance, end of year | 10,583,684 | 81,480 | 21,437 | 26,377 | - | 10,712,978 |
| Net book value of tangible capital assets | 23,697,644 | 759,977 | 55,123 | 610,939 | 232,239 | 25,355,922 |
| 2017 Net book value of tangible capital assets (Restated Note 21) | 24,404,865 | 791,643 | 68,904 | 340,745 | 84,449 | 25,690,606 |

Tsal'ah
Schedule 1 - Consolidated Schedule of Tangible Capital Assets
For the year ended March 31, 2018

| | <i>Subtotal</i> | <i>Signage</i> | <i>2018</i> | <i>2017</i> |
|--|-------------------|----------------|-------------------|-------------------------------|
| | | | | <i>(Restated Note 21)</i> |
| Cost | | | | |
| Balance, beginning of year | 35,145,048 | - | 35,145,048 | 30,482,723 |
| Acquisition of tangible capital assets | 923,852 | 20,800 | 944,652 | 6,742,076 |
| Construction-in-progress | - | - | - | - |
| Disposal of tangible capital assets | - | - | - | (2,079,751) |
| Balance, end of year | 36,068,900 | 20,800 | 36,089,700 | 35,145,048 |
| Accumulated amortization | | | | |
| Balance, beginning of year | 9,456,459 | - | 9,456,459 | 8,504,638 |
| Annual amortization | 1,256,519 | 2,080 | 1,258,599 | 1,115,405 |
| Accumulated amortization on disposals | - | - | - | (163,584) |
| Balance, end of year | 10,712,978 | 2,080 | 10,715,058 | 9,456,459 |
| Net book value of tangible capital assets | 25,355,922 | 18,720 | 25,374,642 | 25,688,589 |
| 2017 Net book value of tangible capital assets (Restated Note 21) | 25,690,606 | - | 25,688,589 | |

Tsal'alh

Schedule 2 - Schedule of Consolidated Expenses by Object
For the year ended March 31, 2018

| | 2018 Budget (Note 16) | 2018 | 2017 (Restated Note 21) |
|--|--------------------------------------|------------------|--|
| Consolidated expenses by object | | | |
| Administration | 117,423 | 3,525 | 16,650 |
| Advertising and promotion | 20,915 | 112,408 | 93,756 |
| Amortization | 130,000 | 1,258,599 | 1,115,405 |
| Bad debts | - | 17,180 | 107,969 |
| Bank charges and interest | 8,400 | 71,701 | 30,185 |
| Education costs | 340,000 | 206,677 | 361,663 |
| Equipment rental | 1,200 | 16,440 | 49,424 |
| Family support allowances | - | 6,992 | 10,377 |
| Fire protection | 18,096 | 7,601 | 6,818 |
| Fuel costs | 200,000 | 246,126 | 199,589 |
| Home and community care | - | - | 54,739 |
| Honoraria | 3,000 | 70,764 | 87,090 |
| Insurance | 102,057 | 150,141 | 167,791 |
| Interest on long-term debt | - | 427,221 | 442,770 |
| Materials and supplies | 130,699 | 338,147 | 426,419 |
| Miscellaneous | - | - | 77,057 |
| Office and miscellaneous | 238,622 | 230,107 | 133,022 |
| Postage | - | 48 | - |
| Professional fees | 51,000 | 227,651 | 183,634 |
| Program education | 742,677 | 748,725 | 789,616 |
| Property taxes | - | 63,664 | 22,992 |
| Rent and occupancy costs | 8,100 | 6,816 | 11,644 |
| Repairs and maintenance | 663,139 | 474,839 | 324,499 |
| Safe water operations program | 20,000 | - | - |
| Social assistance allowances | 267,246 | 345,220 | 303,457 |
| Subcontract | 32,939 | 608,539 | 601,221 |
| Telephone and utilities | 151,300 | 383,748 | 408,265 |
| Travel and training | 234,030 | 424,566 | 365,669 |
| Wages and benefits | 1,348,069 | 2,828,423 | 2,602,444 |
| | 4,828,912 | 9,275,868 | 8,994,165 |

Tsal'alh

Administration and Governance

Schedule 3 - Consolidated Schedule of Revenue and Expenses

For the year ended March 31, 2018

| | 2018 Budget (Note 16) | 2018 | 2017 (Restated Note 21) |
|-----------------------------------|--------------------------------------|------------------|--|
| Revenue | | | |
| Indigenous Services Canada | 252,224 | 367,482 | 365,284 |
| Interest and investment income | 15,000 | 38,296 | 36,061 |
| Other revenue | 327,226 | 128,366 | 142,175 |
| Administration fees | 75,480 | - | - |
| | 669,930 | 534,144 | 543,520 |
| Expenses | | | |
| Administration | 66,600 | - | 3,126 |
| Advertising and promotion | - | 55,833 | 52,394 |
| Amortization | - | 32,186 | 14,049 |
| Bad debts | - | 65,022 | 28,057 |
| Bank charges and interest | 5,400 | 6,251 | 4,552 |
| Educational allowances | - | 11,700 | 10,000 |
| Equipment rental | - | 199 | 183 |
| Honoraria | - | 39,450 | 46,588 |
| Insurance | 22,220 | 9,147 | 29,046 |
| Materials and supplies | 13,700 | 19,872 | 13,905 |
| Office and miscellaneous | 62,449 | 38,417 | 96,576 |
| Professional fees | 46,000 | 73,923 | 64,895 |
| Rent and occupancy costs | - | - | 2,845 |
| Repairs and maintenance | 12,200 | 13,178 | 3,127 |
| Salaries and wages | 319,707 | 321,399 | 348,957 |
| Subcontract | - | 9,855 | 3,921 |
| Telephone and utilities | 24,400 | 15,445 | 9,786 |
| Travel and training | 97,254 | 98,597 | 99,149 |
| | 669,930 | 810,474 | 831,156 |
| Deficit before transfers | - | (276,330) | (287,636) |
| Transfers between programs | - | 272,760 | 187,984 |
| Deficit | - | (3,570) | (99,652) |

Tsal'alh
Capital Asset Fund

Schedule 4 - Consolidated Schedule of Revenue and Expenses
For the year ended March 31, 2018

| | <i>2018 Budget (Note 16)</i> | <i>2018</i> | <i>2017</i> |
|----------------------------|---|--------------------|--------------------|
| Revenue | | | |
| Indigenous Services Canada | - | 116,306 | 3,180,465 |
| Surplus | - | 116,306 | 3,180,465 |

Tsal'alh
Development Corporation

Schedule 5 - Consolidated Schedule of Revenue and Expenses
For the year ended March 31, 2018

| | 2018 Budget (Note 16) | 2018 | 2017 (Restated Note 21) |
|--------------------------------|--------------------------------------|--------------------|--|
| Revenue | | | |
| Rental income | - | 1,275,775 | 1,280,433 |
| Interest and investment income | - | 10,072 | 9,148 |
| Other revenue | - | 124,558 | 66,605 |
| BC Hydro | - | 960,069 | 1,103,517 |
| | - | 2,370,474 | 2,459,703 |
| Expenses | | | |
| Administration | - | - | 2,435 |
| Advertising and promotion | - | 11,968 | 11,301 |
| Amortization | - | 569,229 | 576,827 |
| Bad debts | - | 241 | 3,956 |
| Bank charges and interest | - | 54,872 | 20,176 |
| Equipment rental | - | 5,078 | 38,263 |
| Honoraria | - | 16,750 | 20,088 |
| Insurance | - | 49,646 | 55,888 |
| Interest on long-term debt | - | 418,772 | 421,360 |
| Materials and supplies | - | 7,069 | 131,525 |
| Miscellaneous | - | - | 77,057 |
| Office and miscellaneous | - | 160,591 | 11,455 |
| Professional fees | - | 89,351 | 62,471 |
| Property taxes | - | 58,004 | 22,992 |
| Rent and occupancy costs | - | 6,741 | 4,149 |
| Repairs and maintenance | - | 305,970 | 166,961 |
| Salaries and wages | - | 1,306,220 | 1,077,102 |
| Subcontract | - | 128,685 | 212,954 |
| Telephone and utilities | - | 207,693 | 240,707 |
| Travel and training | - | 34,252 | 57,661 |
| | - | 3,431,132 | 3,215,328 |
| Deficit | - | (1,060,658) | (755,625) |

Tsal'alh
Economic Development

Schedule 6 - Consolidated Schedule of Revenue and Expenses
For the year ended March 31, 2018

| | 2018 Budget (Note 16) | 2018 | 2017 |
|-----------------------------------|--------------------------------------|-----------------|-----------------|
| Revenue | | | |
| Indigenous Services Canada | - | 115,896 | 37,809 |
| Other revenue | 333,000 | 584,132 | 554,189 |
| BC Hydro | - | 49,835 | 49,835 |
| | 333,000 | 749,863 | 641,833 |
| Expenses | | | |
| Administration | 400 | 3,379 | 1,909 |
| Advertising and promotion | - | 4,264 | 2,279 |
| Amortization | - | 6,928 | 8,661 |
| Bad debts | - | 285 | 21,953 |
| Bank charges and interest | 3,000 | 1,603 | 1,566 |
| Educational allowances | - | 33,025 | 26,879 |
| Equipment rental | - | 9,600 | 6,013 |
| Family support allowances | - | - | 400 |
| Fire protection | 3,600 | 280 | 154 |
| Fuel costs | 200,000 | 246,126 | 199,589 |
| Honoraria | - | 125 | 1,809 |
| Insurance | 1,300 | 3,287 | 2,633 |
| Materials and supplies | 26,120 | 73,123 | 73,248 |
| Office and miscellaneous | 3,100 | 2,252 | 742 |
| Repairs and maintenance | 2,500 | 2,166 | 5,087 |
| Salaries and wages | 86,510 | 274,787 | 248,253 |
| Subcontract | 5,000 | 23,161 | 35,434 |
| Telephone and utilities | 6,700 | 8,477 | 11,092 |
| Travel and training | 2,500 | 76,267 | 33,097 |
| | 340,730 | 769,135 | 680,798 |
| Deficit before transfers | (7,730) | (19,272) | (38,965) |
| Transfers between programs | 20,000 | 97,623 | 59,589 |
| Surplus | 12,270 | 78,351 | 20,624 |

Schedule 7 - Consolidated Schedule of Revenue and Expenses

For the year ended March 31, 2018

| | 2018 Budget Note 16) | 2018 | 2017 |
|---|-------------------------------------|------------------|-------------|
| Revenue | | | |
| Indigenous Services Canada | 1,467,863 | 1,609,319 | 1,442,545 |
| Other revenue | 275,479 | 252,210 | 126,822 |
| Interior Salish Employment and Training Society (ISETS) | 29,824 | - | - |
| | 1,773,166 | 1,861,529 | 1,569,367 |
| Expenses | | | |
| Administration | 10,000 | 146 | - |
| Advertising and promotion | 12,715 | 9,588 | 3,438 |
| Amortization | - | 28,148 | 5,339 |
| Bad debts | - | 16 | - |
| Bank charges and interest | - | 80 | 60 |
| Education costs | 340,000 | 206,677 | 361,663 |
| Educational allowances | 321,151 | 293,674 | 350,907 |
| Equipment rental | - | 391 | 2,234 |
| Fire protection | - | 3,714 | 2,565 |
| Honoraria | - | 2,154 | 3,185 |
| Insurance | 21,720 | 26,505 | 16,219 |
| Materials and supplies | 35,000 | 34,748 | 49,443 |
| Office and miscellaneous | 101,917 | 6,396 | 6,021 |
| Professional fees | - | 10,000 | 5,000 |
| Repairs and maintenance | 29,790 | 49,161 | 17,532 |
| Salaries and wages | 407,185 | 398,006 | 366,893 |
| Subcontract | - | 18,600 | - |
| Telephone and utilities | 41,200 | 42,695 | 42,647 |
| Travel and training | 32,500 | 46,173 | 31,926 |
| Tuition | 418,526 | 409,167 | 401,133 |
| | 1,771,704 | 1,586,039 | 1,666,205 |
| Surplus (deficit) before transfers | 1,462 | 275,490 | (96,838) |
| Transfers between programs | - | (600) | 76,982 |
| Surplus (deficit) | 1,462 | 274,890 | (19,856) |

Tsal'alh
Facilities and Services

Schedule 8 - Consolidated Schedule of Revenue and Expenses
For the year ended March 31, 2018

| | 2018 Budget (Note 16) | 2018 | 2017 |
|-----------------------------------|--------------------------------------|------------------|------------------|
| Revenue | | | |
| Indigenous Services Canada | 211,067 | 545,010 | 234,850 |
| Rental income | - | 312 | 140 |
| Other revenue | 324,053 | 50,797 | 53,132 |
| | 535,120 | 596,119 | 288,122 |
| Expenses | | | |
| Administration | 5,000 | - | - |
| Advertising and promotion | - | 48 | - |
| Amortization | - | 409,749 | 324,953 |
| Bad debts | - | - | 5 |
| Bank charges and interest | - | - | 237 |
| Basic - other | - | 70 | - |
| Equipment rental | 1,200 | 1,172 | 2,730 |
| Fire protection | 14,496 | 2,519 | 2,750 |
| Insurance | 20,000 | 26,206 | 26,229 |
| Materials and supplies | 5,000 | 70,882 | 27,205 |
| Office and miscellaneous | 59,400 | 1,647 | 5,599 |
| Professional fees | 5,000 | 5,000 | 5,000 |
| Repairs and maintenance | 582,471 | 46,786 | 78,309 |
| Safe water operations program | 20,000 | - | - |
| Salaries and wages | 155,163 | 84,516 | 80,117 |
| Subcontract | - | 224,800 | 40,175 |
| Telephone and utilities | 50,500 | 60,562 | 60,047 |
| Travel and training | 10,500 | 9,576 | 22,437 |
| | 928,730 | 943,533 | 675,793 |
| Deficit before transfers | (393,610) | (347,414) | (387,671) |
| Transfers between programs | - | (1,769) | (2,478) |
| Deficit | (393,610) | (349,183) | (390,149) |

Schedule 9 - Consolidated Schedule of Revenue and Expenses

For the year ended March 31, 2018

| | 2018 Budget (note 16) | 2018 | 2017 |
|-----------------------------------|--------------------------------------|----------------|-------------|
| Revenue | | | |
| First Nations Health Authority | 558,084 | 856,220 | 977,842 |
| Opening deferred revenue | - | - | 13,064 |
| Other revenue | - | 13,208 | 27,664 |
| | 558,084 | 869,428 | 1,018,570 |
| Expenses | | | |
| Administration | 30,423 | - | 2,580 |
| Advertising and promotion | 8,200 | 29,572 | 23,198 |
| Amortization | - | 26,029 | 22,478 |
| Bad debts | - | 2 | 3 |
| Educational allowances | 3,000 | 1,159 | 697 |
| Family support allowances | - | 515 | - |
| Fire protection | - | 171 | 561 |
| Honoraria | 3,000 | 7,665 | 7,460 |
| Insurance | 5,303 | 11,141 | 7,941 |
| Materials and supplies | 39,879 | 63,052 | 80,225 |
| Office and miscellaneous | 4,156 | 23,708 | 12,592 |
| Professional fees | - | 15,000 | 21,068 |
| Rent and occupancy costs | 8,100 | 75 | 4,650 |
| Repairs and maintenance | 11,178 | 19,270 | 8,659 |
| Salaries and wages | 250,617 | 320,844 | 342,305 |
| Subcontract | 27,939 | 594 | 50,980 |
| Telephone and utilities | 28,500 | 33,868 | 29,540 |
| Travel and training | 57,787 | 142,270 | 103,170 |
| | 478,082 | 694,935 | 718,107 |
| Surplus before transfers | 80,002 | 174,493 | 300,463 |
| Transfers between programs | (18,699) | 38,256 | 27,485 |
| Surplus | 61,303 | 212,749 | 327,948 |

Schedule 10 - Consolidated Schedule of Revenue and Expenses

For the year ended March 31, 2018

| | 2018 Budget (Note 16) | 2018 | 2017 |
|---|--------------------------------------|-----------------|------------------|
| Revenue | | | |
| Indigenous Services Canada | - | - | 976 |
| Canada Mortgage and Housing Corporation | 177,528 | 63,406 | 323,478 |
| Rental income | 86,024 | 288,090 | 270,996 |
| Interest and investment income | - | 41 | 4,637 |
| Other revenue | - | 207,613 | 7,860 |
| | 263,552 | 559,150 | 607,947 |
| Expenses | | | |
| Administration | - | - | 6,600 |
| Amortization | 130,000 | 166,906 | 156,145 |
| Bad debts (recovery) | - | (48,517) | 53,994 |
| Bank charges and interest | - | 8,895 | 3,595 |
| Fire protection | - | 917 | 788 |
| Home and community care | - | - | 54,739 |
| Honoraria | - | 500 | 400 |
| Insurance | 31,514 | 24,209 | 29,835 |
| Materials and supplies | 11,000 | 28,163 | 20,634 |
| Office and miscellaneous | - | 194 | 37 |
| Postage | - | 48 | - |
| Professional fees | - | 24,378 | 15,200 |
| Property taxes | - | 2,041 | - |
| Repairs and maintenance | 25,000 | 38,224 | 44,823 |
| Salaries and wages | 46,592 | 49,101 | 45,352 |
| Subcontract | - | 202,844 | 257,007 |
| Telephone and utilities | - | 14,104 | 14,085 |
| Travel and training | 13,000 | 12,346 | 11,686 |
| Interest on long-term debt | - | 8,449 | 21,410 |
| | 257,106 | 532,802 | 736,330 |
| Surplus (deficit) before transfers | 6,446 | 26,348 | (128,383) |
| Transfers between programs | (45,150) | (36,929) | 54,739 |
| Deficit | (38,704) | (10,581) | (73,644) |

Tsal'alh
Social Assistance

Schedule 11 - Consolidated Schedule of Revenue and Expenses
For the year ended March 31, 2018

| | 2018 Budget (Note 16) | 2018 | 2017 |
|-----------------------------------|--------------------------------------|----------------|----------------|
| Revenue | | | |
| Indigenous Services Canada | 382,721 | 440,586 | 429,243 |
| Province of BC | - | 23,840 | 22,900 |
| Other revenue | - | 26,004 | 25,840 |
| | 382,721 | 490,430 | 477,983 |
| Expenses | | | |
| Administration | 5,000 | - | - |
| Advertising and promotion | - | 1,135 | 1,060 |
| Bad debts | - | 132 | - |
| Family support allowances | - | 6,477 | 9,977 |
| Honoraria | - | 4,120 | 7,160 |
| Materials and supplies | - | 41,239 | 30,234 |
| Office and miscellaneous | 7,600 | 71 | - |
| Professional fees | - | 10,000 | 10,000 |
| Repairs and maintenance | - | 84 | - |
| Salaries and wages | 82,296 | 73,547 | 93,461 |
| Social assistance | 267,246 | 345,150 | 303,457 |
| Telephone and utilities | - | 905 | 361 |
| Travel and training | 20,488 | 5,085 | 3,539 |
| | 382,630 | 487,945 | 459,249 |
| Surplus before transfers | 91 | 2,485 | 18,734 |
| Transfers between programs | - | 3,628 | 12,076 |
| Surplus | 91 | 6,113 | 30,810 |

Schedule 12 - Consolidated Schedule of Revenue and Expenses

For the year ended March 31, 2018

| | 2018 Budget (Note 16) | 2018 | 2017 |
|-----------------------------------|--------------------------------------|------------------|-------------|
| Revenue | | | |
| Interest and investment income | - | 21,534 | 18,159 |
| Other revenue (reimbursement) | - | 1,869 | (52,617) |
| BC Hydro | - | 560,842 | 548,233 |
| | - | 584,245 | 513,775 |
| Expenses | | | |
| Advertising and promotion | - | - | 86 |
| Amortization | - | 19,423 | 6,954 |
| Honoraria | - | - | 400 |
| Office and miscellaneous | - | (3,170) | - |
| Salaries and wages | - | - | 3 |
| Subcontract | - | - | 750 |
| Travel and training | - | - | 3,006 |
| Property taxes | - | 3,620 | - |
| | - | 19,873 | 11,199 |
| Surplus before transfers | - | 564,372 | 502,576 |
| Transfers between programs | - | (427,707) | (361,639) |
| Surplus | - | 136,665 | 140,937 |