

**Stz'uminus First Nation  
Consolidated Financial Statements  
*March 31, 2018***

# Stz'uminus First Nation

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For the year ended March 31, 2018

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## **Management's Responsibility**

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To the Members of Stz'uminus First Nation:

The accompanying consolidated financial statements of Stz'uminus First Nation are the responsibility of management and have been approved by 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 Stz'uminus First Nation Chief and Council are responsible for overseeing management in the performance of its financial reporting responsibilities, and for approving the consolidated financial statements. The Chief and Council fulfill these responsibilities by reviewing the financial information prepared by management and discussing relevant matters with management and external auditors. The Chief and Council are also responsible for recommending the appointment of the Nation's external auditors.

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

July 30, 2018

*Maureen Sonny*

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Director of Administration

## Independent Auditors' Report

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To the Members of Stz'uminus First Nation:

We have audited the accompanying consolidated financial statements of Stz'uminus First Nation, which comprise the consolidated statement of financial position as at March 31, 2018, and the consolidated statements of operations and accumulated surplus, change in net financial assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

### *Management's Responsibility for the Consolidated Financial Statements*

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

### *Auditors' Responsibility*

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

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

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

### *Opinion*

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Stz'uminus First Nation as at March 31, 2018 and the results of its operations, change in net financial assets and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Nanaimo, British Columbia

July 30, 2018



Chartered Professional Accountants

**Stz'uminus First Nation**  
**Consolidated Statement of Financial Position**  
*As at March 31, 2018*

|  | <b>2018</b>       | <b>2017</b>       |
|--|-------------------|-------------------|
| <b>Financial assets</b>                                |                   |                   |
| Cash   | 7,938,779         | 5,029,596         |
| Accounts receivable (Note 4)                           | 1,030,456         | 582,967           |
| Funds held in trust (Note 5)                           | 135,655           | 135,531           |
| Restricted cash (Note 6)                               | 345,761           | 342,305           |
| Investments in First Nation business entities (Note 7) | 15,392,400        | 12,950,798        |
| <b>Total financial assets</b>                          | <b>24,843,051</b> | <b>19,041,197</b> |
| <b>Liabilities</b>                                     |                   |                   |
| Accounts payable and accruals (Note 8)                 | 1,299,259         | 886,697           |
| Deferred revenue                                       | 164,094           | 83,483            |
| Due to related Nation entities (Note 9)                | 718,937           | 456,185           |
| Accrued sick liability (Note 10)                       | 217,345           | 146,800           |
| Long-term debt (Note 11)                               | 4,809,697         | 4,071,339         |
| <b>Total liabilities</b>                               | <b>7,209,332</b>  | <b>5,644,504</b>  |
| <b>Net financial assets</b>                            | <b>17,633,719</b> | <b>13,396,693</b> |
| <b>Contingencies (Note 12)</b>                         |                   |                   |
| <b>Non-financial assets</b>                            |                   |                   |
| Tangible capital assets (Schedule 1)                   | 36,711,762        | 34,788,566        |
| Prepaid expenses                                       | 148,899           | 150,520           |
| <b>Total non-financial assets</b>                      | <b>36,860,661</b> | <b>34,939,086</b> |
| <b>Accumulated surplus (Note 13)</b>                   | <b>54,494,380</b> | <b>48,335,779</b> |

Approved on behalf of Chief and Council

Roxanne Davis

Councillor

H.H J.E

Councillor

**Stz'uminus First Nation**  
**Consolidated Statement of Operations and Accumulated Surplus**  
*For the year ended March 31, 2018*

|   | <i>Schedules</i> | <i>2018<br/>Budget<br/>(Note 17)</i> | <i>2018</i>       | <i>2017</i>       |
|---|------------------|--------------------------------------|-------------------|-------------------|
| <b>Revenue</b>  |                  |                                      |                   |                   |
| Indigenous Services Canada (Note 14)                  |                  | 7,828,662                            | 11,729,198        | 9,066,426         |
| Earnings from First Nation business entities (Note 7) |                  | -                                    | 2,833,325         | 1,916,721         |
| First Nations Health Authority                        |                  | 1,393,569                            | 1,497,425         | 1,407,583         |
| Province of British Columbia                          |                  | 745,916                              | 997,127           | 965,283           |
| First Nations Education Steering Committee            |                  | 449,369                              | 842,786           | 804,531           |
| Coast Salish Employment and Training Society          |                  | 370,824                              | 531,081           | 370,824           |
| Canada Mortgage and Housing Corporation               |                  | -                                    | 165,737           | 196,453           |
| Fisheries and Oceans Canada                           |                  | 76,940                               | 51,082            | 62,893            |
| Other revenue   |                  | 540,386                              | 1,086,046         | 1,247,035         |
| Rental income   |                  | 69,444                               | 226,902           | 219,570           |
| ISC trust fund interest                               |                  | -                                    | 5,986             | 10,143            |
|   |                  | <b>11,475,110</b>                    | <b>19,966,695</b> | <b>16,267,462</b> |
| <b>Expenses</b>                                       |                  |                                      |                   |                   |
| Administration  | 3                | 526,496                              | 737,904           | 329,473           |
| Education   | 4                | 5,925,716                            | 6,714,915         | 6,331,239         |
| Health  | 5                | 1,366,226                            | 1,245,187         | 1,390,433         |
| Income Assistance                                     | 6                | 1,398,408                            | 1,419,476         | 1,270,360         |
| Community Infrastructure                              | 7                | 1,194,428                            | 1,182,015         | 1,242,741         |
| Economic Development                                  | 8                | 116,937                              | 681,528           | 531,825           |
| Natural Resources                                     | 9                | 289,560                              | 282,410           | 290,397           |
| Capital Projects                                      | 10               | 127,068                              | 306,356           | 295,734           |
| Community   | 11               | 620,437                              | 1,069,351         | 992,449           |
|   |                  | <b>11,565,276</b>                    | <b>13,639,142</b> | <b>12,674,651</b> |
| <b>Annual surplus (deficit) before other items</b>    |                  | <b>(90,166)</b>                      | <b>6,327,553</b>  | <b>3,592,811</b>  |
| <b>Distribution to members</b>                        |                  | <b>-</b>                             | <b>(168,952)</b>  | <b>(162,397)</b>  |
| <b>Annual surplus (deficit)</b>                       |                  | <b>(90,166)</b>                      | <b>6,158,601</b>  | <b>3,430,414</b>  |
| <b>Accumulated surplus, beginning of year</b>         |                  | <b>48,335,779</b>                    | <b>48,335,779</b> | <b>44,905,365</b> |
| <b>Accumulated surplus, end of year</b>               |                  | <b>48,245,613</b>                    | <b>54,494,380</b> | <b>48,335,779</b> |

*The accompanying notes are an integral part of these financial statements*

**Stz'uminus First Nation**  
**Consolidated Statement of Change in Net Financial Assets**  
*For the year ended March 31, 2018*

|  | <b>2018<br/>Budget<br/>(Note 17)</b> | <b>2018</b>       | <b>2017</b>       |
|--|--------------------------------------|-------------------|-------------------|
| <b>Annual surplus (deficit)</b>                    |                                      | <b>(186,310)</b>  | <b>3,430,414</b>  |
| Purchases of tangible capital assets               | -                                    | (3,481,550)       | (2,851,501)       |
| Amortization of tangible capital assets            | -                                    | 1,558,354         | 1,437,878         |
| Write down of tangible capital assets              | -                                    | -                 | 18,950            |
| Acquisition (use) of prepaid expenses              | -                                    | 1,621             | (30,823)          |
| <b>Increase (decrease) in net financial assets</b> | <b>(186,310)</b>                     | <b>4,237,026</b>  | <b>2,004,918</b>  |
| <b>Net financial assets, beginning of year</b>     | <b>13,396,693</b>                    | <b>13,396,693</b> | <b>11,391,775</b> |
| <b>Net financial assets, end of year</b>           | <b>13,210,383</b>                    | <b>17,633,719</b> | <b>13,396,693</b> |

**Stz'uminus First Nation**  
**Consolidated Statement of Cash Flows**  
*For the year ended March 31, 2018*

|   | <b>2018</b>      | <b>2017</b>      |
|---|------------------|------------------|
| <b>Cash provided by (used for) the following activities</b> |                  |                  |
| <b>Operating activities</b>                                 |                  |                  |
| Annual surplus  | 6,158,601        | 3,430,414        |
| Non-cash items  |                  |                  |
| Amortization  | 1,558,354        | 1,437,878        |
| Earnings from First Nation business enterprises             | (2,833,325)      | (1,916,721)      |
| Write down of tangible capital assets                       | -                | 18,950           |
| Decrease (increase) in funds held in trust                  | (124)            | 639,659          |
|   | 4,883,506        | 3,610,180        |
| Changes in working capital accounts                         |                  |                  |
| Accounts receivable   | (447,489)        | (154,400)        |
| Accounts payable and accruals                               | 412,562          | (151,742)        |
| Deferred revenue  | 80,611           | 73,548           |
| Accrued sick liability                                      | 70,545           | 63,300           |
| Prepaid expenses  | 1,621            | (30,823)         |
|   | 5,001,356        | 3,410,063        |
| <b>Financing activities</b>                                 |                  |                  |
| Advances of long-term debt                                  | 935,974          | 309,127          |
| Repayment of long-term debt                                 | (197,615)        | (200,716)        |
| Increase (decrease) in due to related Nation entities       | 262,752          | (75,916)         |
|   | 1,001,111        | 32,495           |
| <b>Capital activities</b>                                   |                  |                  |
| Purchases of tangible capital assets                        | (3,481,550)      | (2,851,501)      |
| Increase in restricted cash                                 | (3,456)          | (17,528)         |
| Distributions from First Nation business entities           | 391,722          | 597,580          |
|   | (3,093,284)      | (2,271,449)      |
| <b>Increase in cash</b>                                     | <b>2,909,183</b> | <b>1,171,109</b> |
| <b>Cash, beginning of year</b>                              | <b>5,029,596</b> | <b>3,858,487</b> |
| <b>Cash, end of year</b>                                    | <b>7,938,779</b> | <b>5,029,596</b> |

**Stz'uminus First Nation**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2018*

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**1. Operations**

The Stz'uminus First Nation (the "Nation") is located in the province of British Columbia, and provides various services to its members. Stz'uminus First Nation includes the Nation's members, government and all related entities that are accountable to the Nation and are either owned or controlled by the Nation.

**2. Significant accounting policies**

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

***Reporting entity***

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

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

- Stu'ate Lelum Secondary School and Chemainus Native College
- CMHC Social Housing Program
- 1089106 B.C. Ltd.

All inter-entity balances have been eliminated on consolidation.

Stz'uminus First Nation business enterprises, owned or controlled by the Nation's Chief and Council but not dependent on the Nation for their continuing operations, are 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 business entity accounting principles are not adjusted to conform to those of the Nation. Thus, the Nation's investment in these entities is recorded at acquisition cost and is increased for the proportionate share of post acquisition earnings and decreased by post acquisition losses and distributions received. Entities accounted for by the modified equity basis include:

- Coast Salish Development Corporation
- Thuy'she'num Property Management Limited Partnership and its general partner, 0848278 B.C. Ltd.
- Deer Point Developments Limited Partnership and its general partner, 0848227 B.C. Ltd.
- Ivy Green Petroleum Limited Partnership and its general partner, 0848277 B.C. Ltd.
- Thuthiqut Resources Limited Partnership and its general partner, 0848274 B.C. Ltd.
- Thuy'she'num Investments Limited Partnership and its general partner, 0924101 B.C. 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.

**Stz'uminus First Nation**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2018*

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

***Tangible capital assets***

Tangible capital assets exceeding \$5,000 are recorded at cost less accumulated amortization. Contributed tangible capital assets are recorded at their fair value on the date of contribution. Amortization is provided on a straight-line basis over the estimated useful life of the assets. In the year of acquisition amortization is taken at one-half the rates. See below for amortization rates of specific assets categories.

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

|  | <b>Method</b> | <b>Rate</b> |
|--|---------------|-------------|
| Outdoor lighting and land improvements | straight-line | 20-40 years |
| Buildings and leasehold improvements   | straight-line | 40 years    |
| Vehicles and equipment                 | straight-line | 10 years    |
| Computer hardware and software         | straight-line | 4 years     |
| Roads, streets and bridges             | straight-line | 25-40 years |
| Water, sanitary and storm              | straight-line | 20-80 years |
| Band housing                           | straight-line | 25 years    |
| CMHC housing                           | straight-line | 25 years    |

***Funds held in trust***

Funds held in trust on behalf of 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 surplus. Trust moneys consist of:

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

***Net financial assets***

The Nation's consolidated financial statements are presented so as to highlight net financial assets as the measurement of consolidated financial position. The net financial assets of the Nation is determined by its financial assets less its liabilities. Net financial assets is comprised of two components, non-financial assets and accumulated surplus.

***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.

**Stz'uminus First Nation**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2018*

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

***Revenue recognition***

i) **Government funding**

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

ii) **First Nation Capital and Revenue Trust Funds**

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

iii) **Canada Mortgage and Housing Corporation ("CMHC")**

CMHC revenue is recognized as it becomes receivable under the terms of the applicable funding agreements. Funding received under funding arrangements that relate to a subsequent fiscal period are reflected as deferred revenue on the consolidated statement of financial position in the year of receipt.

iv) **Housing rental income**

Rental revenue is recorded in the year it is earned. At the end of each year management evaluates whether rent revenue is collectible and records a bad debt expense and allowance for doubtful accounts for those amounts designated as unlikely to be collected.

v) **Other revenue**

Other revenue is recognized when performance is completed, amounts are measurable and collection is reasonably assured.

***Measurement uncertainty***

The preparation of consolidated financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenue and expenditures during the reporting period. Accounts receivable are stated after evaluation as to their collectibility and an appropriate allowance for doubtful accounts is provided where considered necessary. Amortization is based on the estimated useful lives of tangible capital assets. Liabilities for contaminated sites are based on the best information available regarding potentially contaminated sites that the Nation is responsible for. Accrued sick liability is based on an estimate of future sick time usage. These estimates are reviewed periodically and, as adjustments become necessary, they are reported in surplus (deficit) in the periods in which they become known.

***Long-lived assets***

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

The Nation performs impairment testing on long-lived assets held for use whenever events or changes in circumstances indicate that the carrying amount of an asset, or group of assets, may not be recoverable. Impairment losses are recognized when asset's service potential is reduced. Impairment is measured as the amount by which the assets' carrying amount exceeds its fair value. Any impairment is included in operations for the year. Prices for similar items are used to measure fair value of long-lived assets.

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

**Stz'uminus First Nation**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2018*

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

**Segments**

The Nation conducts its business through a number of reportable segments as described in Note 16. These operating segments are established by senior management to facilitate the achievement of the Nation's long-term objectives, to aid in resource allocation decisions, and to assess operational performance.

For each reported segment, revenue and expenses represent both amounts that are directly attributable to the segment and amounts that are allocated on a reasonable basis.

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

**Liability for contaminated site**

A liability for remediation of a contaminated site is recognized at the best estimate of the amount required to remediate the contaminated site when contamination exceeding an environmental standard exists, the 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 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 Nation continues to recognize the liability until it is settled or otherwise extinguished. Disbursements made to settle the liability are deducted from the reported liability when they are made. As at March 31, 2018 no liability for contaminated site exists.

**3. Change in accounting policies**

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

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

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

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

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

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

PS 3210 *Assets* provides additional guidance to clarify the definition of assets set out in PS 1000 *Financial Statement Concepts*.

PS 3320 *Contingent Assets* establishes disclosure standards on contingent assets.

PS 3380 *Contractual Rights* establishes disclosure standards on contractual rights, and does not include contractual rights to exchange assets where revenue does not arise. The main features of this Section are as follows:

- Contractual rights are rights to economic resources arising from contracts or agreements that will result in both an asset and revenue in the future.

**Stz'uminus First Nation**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2018*

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**3. Change in accounting policies (Continued from previous page)**

- Until a transaction or event occurs under a contract or agreement, an entity only has a contractual right to an economic resource. Once the entity has received an asset, it no longer has a contractual right.
- Contractual rights are distinct from contingent assets as there is no uncertainty related to the existence of the contractual right.

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

**4. Accounts receivable**

|                            | <b>2018</b>      | <b>2017</b>    |
|----------------------------|------------------|----------------|
| Indigenous Services Canada | 346,375          | 14,476         |
| Goods and Services Tax     | 32,428           | 16,780         |
| Other receivables          | 651,653          | 551,711        |
|                            | <b>1,030,456</b> | <b>582,967</b> |

**5. Funds held in trust**

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

|                                    | <b>2018</b>    | <b>2017</b>    |
|------------------------------------|----------------|----------------|
| <b>Capital Trust</b>               |                |                |
| Balance, beginning and end of year | 134,122        | 134,122        |
| <b>Revenue Trust</b>               |                |                |
| Balance, beginning of year         | 1,409          | 641,068        |
| Interest                           | 2,970          | 7,159          |
| Special (BC)                       | 3,016          | 2,983          |
| Withdrawal                         | -              | (644,051)      |
| Interest transfer                  | (5,862)        | (5,750)        |
| Balance, end of year               | 1,533          | 1,409          |
|                                    | <b>135,655</b> | <b>135,531</b> |

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*.

**Stz'uminus First Nation**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2018*

**6. Restricted cash**

Under the terms of the agreement with Canada Mortgage and Housing Corporation ("CMHC"), the replacement reserve account is to be credited in the amount of \$34,233 (2017 - \$35,264) 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 adequately funded.

Under the terms of the agreement with Canada Mortgage and Housing Corporation ("CMHC"), excess revenues over expenditures for the Post 1996 phases 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. At year end, the operating reserve was adequately funded.

Restricted cash is comprised of the following:

|                     | <b>2018</b>    | <b>2017</b>    |
|---------------------|----------------|----------------|
| Replacement reserve | 187,140        | 185,272        |
| Operating reserve   | 158,621        | 157,033        |
|                     | <b>345,761</b> | <b>342,305</b> |

**7. Investments in First Nation business entities**

Summary financial information for each First Nation business entity, accounted for using the modified equity method, for their respective year-end of December 31, 2017 is as follows:

|  | <i>Investment cost</i> | <i>Loans / advances</i> | <i>Earnings (loss)</i> | <i>Distributions</i> | <i>Total investment</i> |
|--|------------------------|-------------------------|------------------------|----------------------|-------------------------|
| <b>Wholly-owned Businesses:</b>                      |                        |                         |                        |                      |                         |
| Coast Salish Development Corporation                 | 692,180                | -                       | 282,173                | -                    | 974,353                 |
| Deer Point Developments Limited Partnership          | 490,405                | 375,719                 | (41,357)               | -                    | 824,767                 |
| Ivy Green Petroleum Limited Partnership              | 459,230                | 3,158,156               | 624,477                | -                    | 4,241,863               |
| Thuthiqut Resources Limited Partnership              | 4,152                  | 4,289,407               | 1,155,552              | -                    | 5,449,111               |
| Thuy'she'num Investments Limited Partnership         | (3,292)                | 1,884,237               | 327,092                | -                    | 2,208,037               |
| Thuy'she'num Property Management Limited Partnership | (35,687)               | 3,533,574               | 485,388                | -                    | 3,983,275               |
| 0848227 B.C. Ltd.                                    | 1                      | -                       | -                      | -                    | 1                       |
| 0848277 B.C. Ltd.                                    | 1                      | -                       | -                      | -                    | 1                       |
| 0484278 B.C. Ltd.                                    | 1                      | -                       | -                      | -                    | 1                       |
| 0848274 B.C. Ltd.                                    | 1                      | -                       | -                      | -                    | 1                       |
| 0924101 B.C. Ltd.                                    | 1                      | -                       | -                      | -                    | 1                       |
|  | <b>1,606,993</b>       | <b>13,241,093</b>       | <b>2,833,325</b>       | <b>-</b>             | <b>17,681,411</b>       |
| Less: Accumulated distributions                      | -                      | -                       | -                      | (2,289,011)          | (2,289,011)             |
|  | <b>1,606,993</b>       | <b>13,241,093</b>       | <b>2,833,325</b>       | <b>(2,289,011)</b>   | <b>15,392,400</b>       |

**Stz'uminus First Nation**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2018*

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

|  | <i>Investment cost</i> | <i>Loans / advances</i> | <i>Earnings (loss)</i> | <i>Distributions</i> | <i>2017 Total investment</i> |
|--|------------------------|-------------------------|------------------------|----------------------|------------------------------|
| <b>Wholly-owned Businesses:</b>                      |                        |                         |                        |                      |                              |
| Coast Salish Development Corporation                 | 776,373                | -                       | (84,193)               | -                    | 692,180                      |
| Deer Point Developments Limited Partnership          | 404,103                | 380,567                 | 81,432                 | -                    | 866,102                      |
| Ivy Green Petroleum Limited Partnership              | 461,820                | 2,630,617               | 524,949                | -                    | 3,617,386                    |
| Thuthiqut Resources Limited Partnership              | 3,461                  | 3,710,621               | 579,477                | -                    | 4,293,559                    |
| Thuy'she'num Investments Limited Partnership         | (1,188)                | 1,544,061               | 338,078                | -                    | 1,880,951                    |
| Thuy'she'num Property Management Limited Partnership | 39,238                 | 2,981,687               | 476,978                | -                    | 3,497,903                    |
| 0848227 B.C. Ltd.                                    | 1                      | -                       | -                      | -                    | 1                            |
| 0848277 B.C. Ltd.                                    | 1                      | -                       | -                      | -                    | 1                            |
| 0484278 B.C. Ltd.                                    | 1                      | -                       | -                      | -                    | 1                            |
| 0848274 B.C. Ltd.                                    | 1                      | -                       | -                      | -                    | 1                            |
| 0924101 B.C. Ltd.                                    | 1                      | -                       | -                      | -                    | 1                            |
|  | 1,683,812              | 11,247,553              | 1,916,721              | -                    | 14,848,086                   |
| <b>Less: Accumulated distributions</b>               | <b>-</b>               | <b>-</b>                | <b>-</b>               | <b>(1,897,288)</b>   | <b>(1,897,288)</b>           |
|  | 1,683,812              | 11,247,553              | 1,916,721              | (1,897,288)          | 12,950,798                   |

Summary financial information for each First Nation business entity, accounted for using the modified equity method, is not available as of the audit report date. Combined financial statements for Coast Salish Development Corporation were prepared for the year ended December 31, 2017. Included in the combined statements are the following entities: Coast Salish Development Corporation, Deer Point Developments Limited Partnership, Ivy Green Petroleum Services Limited Partnership, Thuthiqut Resources Limited Partnership, Thuy'she'num Investments Limited Partnership, and Thuy'she'num Property Management Limited Partnership.

Summary financial information for the combined financial statements of Coast Salish Development Corporation as at December 31, 2017 is as follows:

| <i>Combined<br/>Coast Salish<br/>Development<br/>Corporation<br/>As at December<br/>31, 2017</i> |                   |
|--|-------------------|
| <b>Assets</b>  |                   |
| Cash   | 2,086,203         |
| Accounts receivable  | 523,853           |
| Inventory  | 334,177           |
| GST recoverable  | 14,834            |
| Prepaid expenses   | 431,970           |
| Property, plant and equipment  | 8,475,325         |
| Portfolio investments  | 4,971,439         |
| Investment in associates   | 3,436,528         |
| Due from related parties   | 2,071,484         |
| Restricted cash  | 1,783,188         |
| <b>Total assets</b>  | <b>24,129,001</b> |

**Stz'uminus First Nation**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2018*

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

**Liabilities**

|                               |                   |
|-------------------------------|-------------------|
| Accounts payable and accruals | 327,463           |
| Term loans                    | 4,400,000         |
| Provincial sales tax payable  | 972               |
| Wages payable                 | 10,578            |
| Deferred income               | 137,488           |
| Due to related parties        | 350,000           |
| Workers' compensation payable | 3,515             |
| Deferred income               | 2,271,839         |
| <b>Total liabilities</b>      | <b>7,501,855</b>  |
|                               | <b>16,627,146</b> |

|                               |                   |
|-------------------------------|-------------------|
| <b>Total revenue</b>          | <b>12,142,176</b> |
| <b>Total expenses</b>         | <b>9,425,401</b>  |
| <b>Income from operations</b> | <b>2,716,775</b>  |
| <b>Other income</b>           | <b>62,137</b>     |
| <b>Net income</b>             | <b>2,778,912</b>  |

**8. Accounts payable and accruals**

Included in accounts payable and accruals at year-end are anticipated Indigenous Services Canada recoveries of \$147,675 (2017 - \$37,572).

**9. Due to related Nation entities**

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

**10. Accrued sick liability**

The Nation provides for sick leave under the following conditions:

- CUPE and Exempt employees accumulate one and one quarter days of sick leave per month;
- CUPE and Exempt employees are limited to accumulate the equivalent of sixty working days pay;
- Sick leave can only be used for paid time off for illness of the employee. Sick leave taken is paid at the employee's normal rate of pay at the time;
- There is no provision for payment of any unused sick bank balance on termination of employment;

The estimate for the total accumulated liability is \$271,683 (2017 - \$244,663), while the accrued balance is \$217,345 (2017 - \$146,800).

Management has not conducted an actuarial valuation.

**Stz'uminus First Nation**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2018*

**11. Long-term debt**

|  | <b>2018</b> | <b>2017</b> |
|--|-------------|-------------|
| Phase/Subdivision 10   |             |             |
| - Interest at 2.39% (2017 - 1.62%), compounded semi-annually                 |             |             |
| - Monthly blended payments of \$2,001 (2017 - \$1,965)                       |             |             |
| - Maturity date of January 1, 2023   |             |             |
| - Secured by buildings with a net book value of \$94,925 (2017 - \$116,019)  |             |             |
| - Balance outstanding  | 109,548     | 131,164     |
| Phase/Subdivision 12-1   |             |             |
| - Interest at 1.83%, compounded semi-annually                                |             |             |
| - Monthly blended payments of \$2,466  |             |             |
| - Maturity date of October 1, 2029   |             |             |
| - Secured by buildings with a net book value of \$341,117 (2017 - \$368,406) |             |             |
| - Balance outstanding  | 308,784     | 332,512     |
| Phase/Subdivision 12-2   |             |             |
| - Interest at 2.04%, compounded semi-annually                                |             |             |
| - Monthly blended payments of \$2,419  |             |             |
| - Maturity date of March 1, 2039   |             |             |
| - Secured by buildings with a net book value of \$517,274 (2017 - \$542,484) |             |             |
| - Balance outstanding  | 495,926     | 514,673     |
| Phase/Subdivision 12-3   |             |             |
| - Interest at 0.98%, compounded semi-annually                                |             |             |
| - Monthly blended payments of \$2,221  |             |             |
| - Maturity date of March 1, 2040   |             |             |
| - Secured by buildings with a net book value of \$549,879 (2017 - \$575,455) |             |             |
| - Balance outstanding  | 527,370     | 548,750     |
| Phase/Subdivision 12-4   |             |             |
| - Interest at 0.98%, compounded semi-annually                                |             |             |
| - Monthly blended payments of \$2,069  |             |             |
| - Maturity date of March 1, 2040   |             |             |
| - Secured by buildings with a net book value of \$574,199 (2017 - \$600,905) |             |             |
| - Balance outstanding  | 491,309     | 511,228     |
| Phase/Subdivision 12-5   |             |             |
| - Interest at 1.97%, compounded semi-annually                                |             |             |
| - Monthly blended payments of \$3,960  |             |             |
| - Maturity date of December 1, 2042  |             |             |
| - Secured by buildings with a net book value of \$1,035,394 (2017 - nil)     |             |             |
| - Balance outstanding  | 930,972     | -           |
| Bank of Montreal   |             |             |
| - Interest at 2.89%, compounded monthly                                      |             |             |
| - Monthly blended payments of \$677  |             |             |
| - Term maturity date of June 30, 2018  |             |             |
| - Secured by a General Security Agreement and a Band Council Resolution      |             |             |
| - Balance outstanding  | 124,973     | 129,411     |
| Bank of Montreal   |             |             |
| - Interest at 2.92%, compounded monthly                                      |             |             |
| - Monthly blended payments of \$5,332  |             |             |
| - Term maturity date of January 31, 2020                                     |             |             |
| - Secured by a General Security Agreement and a Band Council Resolution      |             |             |
| - Balance outstanding  | 803,219     | 832,517     |

**Stz'uminus First Nation**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2018*

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

|   | <b>2018</b>      | <b>2017</b> |
|---|------------------|-------------|
| Bank of Montreal  |                  |             |
| - Interest at 2.45%, compounded monthly                                 |                  |             |
| - Monthly blended payments of \$3,728                                   |                  |             |
| - Term maturity date of July 31, 2020                                   |                  |             |
| - Secured by a General Security Agreement and a Band Council Resolution |                  |             |
| - Balance outstanding   | 735,587          | 761,957     |
| Ladysmith and District Credit Union                                     |                  |             |
| - Interest at 2.79%, compounded monthly                                 |                  |             |
| - Monthly blended payments of \$2,956                                   |                  |             |
| - Term maturity date of March 10, 2022                                  |                  |             |
| - Secured by land with a net book value of \$608,147 (2017 - \$608,147) |                  |             |
| - Balance outstanding   | 282,009          | 309,127     |
|   | <b>4,809,697</b> | 4,071,339   |

**12. Contingencies**

The Nation may be contingently liable with respect to Ministerial guarantees for "On Reserve Housing Loans" to various financial institutions in the amount of \$200,227 (2017 - \$215,435). These loan guarantees are in addition to CMHC mortgages.

Stz'uminus First Nation is indirectly a member of Hul'qumi'num Treaty Group, which is incorporated under the BC Society's Act. The Hul'qumi'num Treaty Group has entered into Negotiations Support Agreements on behalf of its members and carried out treaty negotiations with Canada and British Columbia. Under the terms of the agreements, Hul'qumi'num Treaty Group is indebted to Canada. If Stz'uminus First Nation is liable under the Negotiation Support Agreement, the amount is subject to redetermination and consequently indeterminable; and accordingly excluded from these consolidated financial statements. The due date of the indebtedness to Canada is unknown as at March 31, 2018.

**13. Accumulated surplus**

Accumulated surplus consists of the following:

|   | <b>2018</b>       | <b>2017</b> |
|---|-------------------|-------------|
| Equity in Ottawa Trust funds                                    | 135,655           | 135,531     |
| Equity in operating fund  | 6,801,581         | 4,293,869   |
| Equity in tangible capital assets                               | 31,902,065        | 30,717,227  |
| Investments in First Nation business entities (enterprise fund) | 15,392,400        | 12,950,798  |
| Replacement and operating reserves                              | 262,679           | 238,354     |
|   | <b>54,494,380</b> | 48,335,779  |

**Stz'uminus First Nation**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2018*

**14. Indigenous Services Canada funding reconciliation**

|  | <b>2018</b>       | <b>2017</b>      |
|--|-------------------|------------------|
| Revenue per confirmation                             | 11,894,706        | 9,103,998        |
| Anticipated recoveries in Direct Tuition             | (69,970)          | -                |
| Anticipated recoveries in Basic Needs                | (52,655)          | (4,919)          |
| Anticipated recoveries in Child out of Parental Home | (13,991)          | (7,095)          |
| Anticipated recoveries in Special Needs              | (6,893)           | (24,453)         |
| Anticipated recoveries in Wills & Estate Funding     | (4,166)           | (617)            |
| Anticipated recoveries in CCIF in Trust/CEDE         | -                 | (488)            |
| Deferred funding in BCCI 17/18 Stz'uminus History    | (7,288)           | -                |
| Deferred funding in P&ID (Chief and Council)         | (10,545)          | -                |
|  | <b>11,729,198</b> | <b>9,066,426</b> |

**15. Economic dependence**

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

**16. Segments**

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

Administration:

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

Education:

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

Health:

Includes activities related to the provision of health services within the Nation.

Income Assistance:

Includes revenue and expenses relating to the social assistance of the members of the Nation.

Community Infrastructure:

Includes the maintenance of infrastructure owned by the Nation.

Economic Development:

Includes activities related to the growth of revenue producing projects with the Nation.

Natural Resources:

Includes revenue and expenditures related to conservation and stewardship of the Nation's land and resources.

Capital Projects:

Includes revenue and expenditures related to capital projects.

Community:

Includes revenue and expenditures related to programs put on to support the Stz'uminus First Nation community.

**17. Budget information**

The disclosed budget information has been approved by the Chief and Council of Stz'uminus First Nation. The original budget was approved at the Chief and Council meeting held on May 2, 2017.

**Stz'uminus First Nation**  
**Schedule 1 - Consolidated Schedule of Tangible Capital Assets**  
*For the year ended March 31, 2018*

|   | <i>Land</i>    | <i>Outdoor<br/>lighting and<br/>land<br/>improvements</i> | <i>Buildings and<br/>leasehold<br/>improvements</i> | <i>Vehicles and<br/>equipment</i> | <i>Computer<br/>hardware and<br/>software</i> | <i>Roads, streets,<br/>and bridges</i> | <i>Subtotal</i>   |
|---|----------------|---|---|-----------------------------------|---|--|-------------------|
| <b>Cost</b>   |                |   |   |                                   |   |  |                   |
| Balance, beginning of year                            | 721,303        | 663,049   | 19,364,584  | 2,330,844                         | 458,332                                       | 4,982,208                              | 28,520,320        |
| Acquisition of tangible capital assets                | -              | -   | 855,173   | 317,235                           | 51,916  | 725,829                                | 1,950,153         |
| Transfer of tangible capital assets                   | -              | -   | -   | -                                 | -   | -                                      | -                 |
| Write down of tangible capital assets                 | -              | -   | -   | -                                 | -   | -                                      | -                 |
| <b>Balance, end of year</b>                           | <b>721,303</b> | <b>663,049</b>  | <b>20,219,757</b>                                   | <b>2,648,079</b>                  | <b>510,248</b>                                | <b>5,708,037</b>                       | <b>30,470,473</b> |
| <b>Accumulated amortization</b>                       |                |   |   |                                   |   |  |                   |
| Balance, beginning of year                            | -              | 376,233   | 3,755,155   | 1,623,336                         | 324,561                                       | 3,225,380                              | 9,304,665         |
| Annual amortization                                   | -              | 23,036  | 490,648   | 148,045                           | 53,634  | 122,235                                | 837,598           |
| <b>Balance, end of year</b>                           | <b>-</b>       | <b>399,269</b>  | <b>4,245,803</b>                                    | <b>1,771,381</b>                  | <b>378,195</b>                                | <b>3,347,615</b>                       | <b>10,142,263</b> |
| <b>Net book value of tangible capital assets</b>      | <b>721,303</b> | <b>263,780</b>  | <b>15,973,954</b>                                   | <b>876,698</b>                    | <b>132,053</b>                                | <b>2,360,422</b>                       | <b>20,328,210</b> |
| <b>2017 Net book value of tangible capital assets</b> | <b>721,303</b> | <b>286,816</b>  | <b>15,609,429</b>                                   | <b>707,508</b>                    | <b>133,771</b>                                | <b>1,756,828</b>                       | <b>19,215,655</b> |

**Stz'uminus First Nation**  
**Schedule 1 - Consolidated Schedule of Tangible Capital Assets**  
*For the year ended March 31, 2018*

|  | <i>Subtotal</i>   | <i>Water, sanitary<br/>and storm</i> | <i>Band housing</i> | <i>CMHC housing</i> | <i>2018</i>       | <i>2017</i>       |
|--|-------------------|--------------------------------------|---------------------|---------------------|-------------------|-------------------|
| <hr/>  |                   |                                      |                     |                     |                   |                   |
| <b>Cost</b>                                      |                   |                                      |                     |                     |                   |                   |
| Balance, beginning of year                       | 28,520,320        | 14,312,165                           | 3,761,133           | 6,190,223           | 52,783,841        | 49,951,290        |
| Acquisition of tangible capital assets           | 1,950,153         | 282,892                              | 169,970             | 1,078,535           | 3,481,550         | 2,851,501         |
| Transfer of tangible capital assets              | -                 | -                                    | 559,286             | (559,286)           | -                 | -                 |
| Write down of tangible capital assets            | -                 | -                                    | -                   | -                   | -                 | (18,950)          |
| Balance, end of year                             | 30,470,473        | 14,595,057                           | 4,490,389           | 6,709,472           | 56,265,391        | 52,783,841        |
| <b>Accumulated amortization</b>                  |                   |                                      |                     |                     |                   |                   |
| Balance, beginning of year                       | 9,304,665         | 3,850,672                            | 3,519,400           | 1,320,538           | 17,995,275        | 16,557,397        |
| Annual amortization                              | 837,598           | 309,203                              | 165,030             | 246,523             | 1,558,354         | 1,437,878         |
| Balance, end of year                             | 10,142,263        | 4,159,875                            | 3,684,430           | 1,567,061           | 19,553,629        | 17,995,275        |
| <b>Net book value of tangible capital assets</b> | <b>20,328,210</b> | <b>10,435,182</b>                    | <b>805,959</b>      | <b>5,142,411</b>    | <b>36,711,762</b> | <b>34,788,566</b> |
| 2017 Net book value of tangible capital assets   | 19,215,655        | 10,461,493                           | 2,664,810           | 2,446,608           | 34,788,566        |                   |

**Stz'uminus First Nation**  
**Schedule 2 - Schedule of Consolidated Expenses by Object**  
*For the year ended March 31, 2018*

|  | <b>2018<br/>Budget<br/>(Note 17)</b> | <b>2018</b>       | <b>2017</b>       |
|--|--------------------------------------|-------------------|-------------------|
| <b>Consolidated expenses by object</b> |                                      |                   |                   |
| Administration (recovery)              | (43,100)                             | (84,752)          | 13,100            |
| Advertising                            | 11,748                               | 5,465             | 10,228            |
| Amortization                           | -                                    | 1,558,354         | 1,437,878         |
| Automotive                             | 119,192                              | 114,383           | 131,481           |
| Bad debts                              | -                                    | 11,296            | -                 |
| Band housing repairs and maintenance   | 1,001                                | 22,040            | 10,626            |
| Bank charges and interest              | 18,101                               | 19,805            | 33,581            |
| CMHC expense recovery                  | -                                    | -                 | (43,890)          |
| Community events                       | 8,500                                | 16,128            | 18,397            |
| Consulting                             | 35,573                               | 47,992            | 57,681            |
| Contracted services                    | 752,085                              | 280,765           | 191,293           |
| Economic development transfers         | -                                    | 559,758           | 409,957           |
| Economic discretionary funds           | 100,000                              | 45,508            | 53,092            |
| Elders costs                           | 3,752                                | 296               | 3,983             |
| Fish costs                             | 50,000                               | -                 | 1,000             |
| Food and beverage                      | 1,000                                | 5,556             | 1,664             |
| Forest range operations                | -                                    | -                 | 15,172            |
| Funeral                                | 40,840                               | 23,718            | 26,572            |
| Furniture and equipment                | 74,689                               | 33,396            | 131,700           |
| Health                                 | -                                    | 3,381             | 2,854             |
| Honoraria                              | 106,235                              | 159,143           | 121,164           |
| Insurance                              | 104,928                              | 124,441           | 122,060           |
| Interest on long-term debt             | 57,479                               | 93,648            | 79,679            |
| Meeting                                | 45,986                               | 37,300            | 23,132            |
| Miscellaneous                          | 9,090                                | 1,174             | 65,018            |
| Office supplies                        | 58,890                               | 53,852            | 55,524            |
| Professional fees                      | 197,535                              | 241,282           | 197,496           |
| Program education                      | 10,900                               | 18,005            | 34,627            |
| Program expense                        | 34,200                               | 83,484            | 30,848            |
| Property tax                           | 13,626                               | 4,883             | 13,626            |
| Rent                                   | 137,468                              | 134,254           | 133,823           |
| Repairs and maintenance                | 252,088                              | 258,838           | 446,212           |
| Salaries and benefits                  | 6,052,497                            | 6,398,723         | 5,531,290         |
| Social assistance                      | 1,142,371                            | 1,309,550         | 1,090,692         |
| Supplies                               | 397,487                              | 436,582           | 484,481           |
| Telephone                              | 57,234                               | 57,554            | 55,709            |
| Training                               | 71,427                               | 81,709            | 121,337           |
| Transfer to CMHC                       | 123,930                              | -                 | -                 |
| Travel                                 | 122,228                              | 145,624           | 108,419           |
| Tuition                                | 842,399                              | 783,669           | 893,314           |
| Utilities                              | 553,897                              | 552,338           | 559,831           |
|  | <b>11,565,276</b>                    | <b>13,639,142</b> | <b>12,674,651</b> |

**Stz'uminus First Nation**  
**Administration**  
**Schedule 3 - Schedule of Revenue and Expenses**  
*For the year ended March 31, 2018*

|  | <b>2018<br/>Budget<br/>(Note 17)</b> | <b>2018</b>      | <b>2017</b>    |
|--|--------------------------------------|------------------|----------------|
| <b>Revenue</b>                         |                                      |                  |                |
| Indigenous Services Canada             | 632,280                              | 768,188          | 648,996        |
| Other revenue                          | 24,300                               | 73,961           | 120,072        |
| ISC trust fund interest                | -                                    | 5,986            | 10,143         |
|  | <b>656,580</b>                       | <b>848,135</b>   | <b>779,211</b> |
| <b>Expenses</b>                        |                                      |                  |                |
| Administration (recovery)              | (647,338)                            | (742,251)        | (834,840)      |
| Advertising                            | 5,700                                | 3,534            | 5,434          |
| Amortization                           | -                                    | 31,680           | 33,767         |
| Bad debts                              | -                                    | 1,506            | -              |
| Bank charges and interest              | 18,101                               | 19,805           | 18,684         |
| CMHC expense recovery                  | -                                    | -                | (43,890)       |
| Community events                       | 8,500                                | 19,628           | 18,612         |
| Consulting                             | -                                    | 7,980            | 17,396         |
| Contracted services                    | 25,000                               | 85,330           | 33,031         |
| Funeral                                | 6,500                                | 5,302            | 6,278          |
| Furniture and equipment                | 2,000                                | 15,797           | 19,171         |
| Honoraria                              | 89,500                               | 128,371          | 106,603        |
| Insurance                              | 878                                  | 12,743           | 13,043         |
| Interest on long-term debt             | -                                    | 2,563            | 2,298          |
| Meeting                                | 9,501                                | 10,252           | 10,149         |
| Miscellaneous (recovery)               | 1,500                                | (1,201)          | 5,887          |
| Office supplies                        | 7,765                                | 7,966            | 8,878          |
| Professional fees                      | 45,000                               | 65,632           | 35,070         |
| Rent                                   | 13,226                               | 13,834           | 12,557         |
| Repairs and maintenance                | 11,000                               | 12,662           | 12,867         |
| Salaries and benefits                  | 835,754                              | 926,149          | 761,826        |
| Supplies                               | 20,500                               | 30,234           | 20,271         |
| Telephone                              | 8,300                                | 10,173           | 8,201          |
| Training                               | 6,450                                | 4,088            | 4,874          |
| Travel                                 | 39,659                               | 46,765           | 34,221         |
| Utilities                              | 19,000                               | 19,362           | 19,085         |
|  | <b>526,496</b>                       | <b>737,904</b>   | <b>329,473</b> |
| <b>Annual surplus before transfers</b> | <b>130,084</b>                       | <b>110,231</b>   | <b>449,738</b> |
| <b>Transfers</b>                       | <b>(130,084)</b>                     | <b>(194,059)</b> | <b>26,640</b>  |
| <b>Annual surplus (deficit)</b>        | <b>-</b>                             | <b>(83,828)</b>  | <b>476,378</b> |

**Stz'uminus First Nation**  
**Education**  
**Schedule 4 - Schedule of Revenue and Expenses**  
*For the year ended March 31, 2018*

|  | <b>2018<br/>Budget<br/>(Note 17)</b> | <b>2018</b>      | <b>2017</b>      |
|--|--------------------------------------|------------------|------------------|
| <b>Revenue</b>                                   |                                      |                  |                  |
| Indigenous Services Canada                       | 4,331,808                            | 4,262,856        | 4,306,108        |
| First Nations Education Steering Committee       | 449,369                              | 842,786          | 804,531          |
| Province of British Columbia                     | 710,916                              | 750,206          | 718,362          |
| Coast Salish Employment and Training Society     | 227,500                              | 367,132          | 227,500          |
| First Nations Health Authority                   | 116,333                              | 153,207          | 135,157          |
| Other revenue                                    | 96,753                               | 435,916          | 392,083          |
|  | <b>5,932,679</b>                     | <b>6,812,103</b> | <b>6,583,741</b> |
| <b>Expenses</b>                                  |                                      |                  |                  |
| Administration                                   | 395,292                              | 434,629          | 551,855          |
| Advertising                                      | 2,148                                | -                | -                |
| Amortization                                     | -                                    | 433,638          | 411,410          |
| Automotive                                       | 70,399                               | 64,737           | 75,012           |
| Bad debts  | -                                    | 8,921            | -                |
| Consulting                                       | -                                    | 7,218            | 11,509           |
| Contracted services                              | 33,000                               | 48,251           | 72,019           |
| Food and beverage                                | 1,000                                | 5,556            | 1,664            |
| Furniture and equipment                          | 46,200                               | 15,030           | 95,388           |
| Honoraria  | 7,500                                | 29,684           | 8,794            |
| Insurance  | 48,156                               | 51,843           | 50,843           |
| Interest on long-term debt                       | 27,000                               | 24,021           | 24,922           |
| Meeting  | 16,200                               | 24,180           | 2,035            |
| Miscellaneous                                    | 2,600                                | 2,292            | 3,848            |
| Office supplies                                  | 50,550                               | 45,454           | 45,070           |
| Professional fees                                | -                                    | 8,764            | -                |
| Program education                                | 10,900                               | 17,452           | 34,627           |
| Program expense                                  | 30,000                               | 70,717           | 19,367           |
| Property tax                                     | 12,645                               | 1,582            | 12,645           |
| Rent   | 14,300                               | 12,367           | 8,055            |
| Repairs and maintenance                          | 111,638                              | 51,324           | 128,443          |
| Salaries and benefits                            | 3,578,901                            | 3,794,804        | 3,157,733        |
| Social assistance                                | 245,615                              | 335,764          | 243,106          |
| Supplies   | 264,203                              | 290,341          | 325,323          |
| Telephone  | 24,740                               | 25,272           | 25,633           |
| Training   | 19,000                               | 15,584           | 50,552           |
| Travel   | 14,330                               | 37,253           | 4,766            |
| Tuition  | 842,399                              | 783,676          | 893,314          |
| Utilities  | 57,000                               | 74,561           | 73,306           |
|  | <b>5,925,716</b>                     | <b>6,714,915</b> | <b>6,331,239</b> |
| <b>Annual surplus (deficit) before transfers</b> | <b>6,963</b>                         | <b>97,188</b>    | <b>252,502</b>   |
| <b>Transfers</b>                                 | <b>32,156</b>                        | <b>77,310</b>    | <b>(294,959)</b> |
| <b>Annual surplus (deficit)</b>                  | <b>39,119</b>                        | <b>174,498</b>   | <b>(42,457)</b>  |

**Stz'uminus First Nation**  
**Health**  
**Schedule 5 - Schedule of Revenue and Expenses**  
*For the year ended March 31, 2018*

|  | <b>2018<br/>Budget<br/>(Note 17)</b> | <b>2018</b>      | <b>2017</b>      |
|--|--------------------------------------|------------------|------------------|
| <b>Revenue</b>                                   |                                      |                  |                  |
| First Nations Health Authority                   | 1,251,757                            | 1,317,338        | 1,246,947        |
| Indigenous Services Canada                       | 109,181                              | 114,265          | 115,619          |
| Other revenue                                    | -                                    | 27,184           | 77,073           |
| Rental income                                    | -                                    | -                | 300              |
|  | <b>1,360,938</b>                     | <b>1,458,787</b> | <b>1,439,939</b> |
| <b>Expenses</b>                                  |                                      |                  |                  |
| Administration                                   | 95,266                               | 95,266           | 166,512          |
| Advertising                                      | 3,900                                | 1,931            | 4,794            |
| Amortization                                     | -                                    | 44,993           | 45,230           |
| Automotive                                       | 15,514                               | 12,783           | 16,844           |
| Bad debts  | -                                    | 93               | -                |
| Consulting                                       | 35,573                               | 32,794           | 27,946           |
| Contracted services                              | 38,411                               | 41,174           | 20,580           |
| Elders costs                                     | 3,752                                | 296              | 3,983            |
| Furniture and equipment                          | 4,399                                | 706              | 12,163           |
| Health   | -                                    | 3,381            | 2,854            |
| Honoraria  | 3,235                                | 177              | 5,767            |
| Insurance  | 15,799                               | 14,580           | 13,490           |
| Meeting  | 20,285                               | 2,852            | 10,948           |
| Miscellaneous                                    | 4,990                                | -                | -                |
| Office supplies                                  | 375                                  | 221              | 1,476            |
| Professional fees                                | 1,075                                | 1,980            | 5,769            |
| Program expense (recovery)                       | -                                    | (2,237)          | 6,750            |
| Repairs and maintenance                          | 11,420                               | 20,292           | 16,161           |
| Salaries and benefits                            | 947,585                              | 827,102          | 856,172          |
| Supplies   | 73,188                               | 62,904           | 83,936           |
| Telephone  | 15,174                               | 13,670           | 13,237           |
| Training   | 5,000                                | 1,234            | 3,231            |
| Travel   | 48,285                               | 46,150           | 48,768           |
| Utilities  | 23,000                               | 22,845           | 23,822           |
|  | <b>1,366,226</b>                     | <b>1,245,187</b> | <b>1,390,433</b> |
| <b>Annual surplus (deficit) before transfers</b> | <b>(5,288)</b>                       | <b>213,600</b>   | <b>49,506</b>    |
| <b>Transfers</b>                                 | <b>5,288</b>                         | <b>52,620</b>    | <b>(3,552)</b>   |
| <b>Annual surplus</b>                            | <b>-</b>                             | <b>266,220</b>   | <b>45,954</b>    |

**Stz'uminus First Nation**  
**Income Assistance**  
**Schedule 6 - Schedule of Revenue and Expenses**  
*For the year ended March 31, 2018*

|  | <b>2018<br/>Budget<br/>(Note 17)</b> | <b>2018</b>      | <b>2017</b>      |
|--|--------------------------------------|------------------|------------------|
| <b>Revenue</b>                         |                                      |                  |                  |
| Indigenous Services Canada             | 1,486,623                            | 1,524,963        | 1,452,964        |
| Other revenue                          | 750                                  | 970              | 985              |
|  | <b>1,487,373</b>                     | <b>1,525,933</b> | <b>1,453,949</b> |
| <b>Expenses</b>                        |                                      |                  |                  |
| Administration                         | 26,743                               | 26,743           | 16,740           |
| Amortization                           | -                                    | 714              | -                |
| Funeral                                | 34,340                               | 18,356           | 19,795           |
| Furniture and equipment                | 2,337                                | 115              | 614              |
| Meeting                                | -                                    | 15               | -                |
| Professional fees                      | 1,460                                | 1,485            | 1,720            |
| Program expense                        | -                                    | 1,725            | -                |
| Rent                                   | 107,717                              | 104,345          | 107,978          |
| Salaries and benefits                  | 107,465                              | 94,868           | 65,959           |
| Social assistance                      | 896,756                              | 973,786          | 847,586          |
| Supplies                               | 9,600                                | 10,073           | 9,299            |
| Training                               | 2,499                                | 4,216            | -                |
| Travel                                 | 1,583                                | 1,349            | 248              |
| Utilities                              | 207,908                              | 181,686          | 200,421          |
|  | <b>1,398,408</b>                     | <b>1,419,476</b> | <b>1,270,360</b> |
| <b>Annual surplus before transfers</b> | <b>88,965</b>                        | <b>106,457</b>   | <b>183,589</b>   |
| <b>Transfers</b>                       | <b>(88,965)</b>                      | <b>(83,292)</b>  | <b>(147,620)</b> |
| <b>Annual surplus</b>                  | <b>-</b>                             | <b>23,165</b>    | <b>35,969</b>    |

**Stz'uminus First Nation**  
**Community Infrastructure**  
**Schedule 7 - Schedule of Revenue and Expenses**  
*For the year ended March 31, 2018*

|  | <b>2018<br/>Budget<br/>(Note 17)</b> | <b>2018</b>      | <b>2017</b>      |
|--|--------------------------------------|------------------|------------------|
| <b>Revenue</b>                                   |                                      |                  |                  |
| Indigenous Services Canada                       | 798,816                              | 4,105,078        | 1,955,877        |
| First Nations Health Authority                   | 25,479                               | 26,880           | 25,479           |
| Other revenue                                    | 50,000                               | 90,903           | 289,975          |
| Rental income                                    | 50,436                               | 41,601           | 45,553           |
|  | <b>924,731</b>                       | <b>4,264,462</b> | <b>2,316,884</b> |
| <b>Expenses</b>                                  |                                      |                  |                  |
| Administration                                   | 36,700                               | 20,750           | 40,272           |
| Amortization                                     | -                                    | 462,662          | 310,640          |
| Automotive                                       | 30,999                               | 34,258           | 36,666           |
| Bad debts  | -                                    | 11               | -                |
| Band housing repairs and maintenance             | 1,001                                | -                | 1,000            |
| Bank charges and interest                        | -                                    | -                | 14,897           |
| Consulting                                       | -                                    | -                | 830              |
| Contracted services                              | 485,366                              | -                | 65,328           |
| Furniture and equipment                          | -                                    | 721              | 2,726            |
| Insurance  | 23,534                               | 16,226           | 15,045           |
| Office supplies                                  | -                                    | 71               | -                |
| Professional fees                                | -                                    | 181              | -                |
| Rent   | 2,225                                | 1,405            | 5,033            |
| Repairs and maintenance                          | 107,097                              | 79,068           | 151,921          |
| Salaries and benefits                            | 263,365                              | 317,579          | 344,778          |
| Supplies   | 5,000                                | 12,428           | 20,258           |
| Telephone  | 3,500                                | 4,275            | 4,350            |
| Training   | 1,400                                | 5,759            | 401              |
| Travel   | 8,000                                | 4,534            | 12,088           |
| Utilities  | 226,241                              | 222,087          | 216,508          |
|  | <b>1,194,428</b>                     | <b>1,182,015</b> | <b>1,242,741</b> |
| <b>Annual surplus (deficit) before transfers</b> | <b>(269,697)</b>                     | <b>3,082,447</b> | <b>1,074,143</b> |
| <b>Transfers</b>                                 | <b>109,331</b>                       | <b>203,499</b>   | <b>722,416</b>   |
| <b>Annual surplus (deficit)</b>                  | <b>(160,366)</b>                     | <b>3,285,946</b> | <b>1,796,559</b> |

**Stz'uminus First Nation**  
**Economic Development**  
**Schedule 8 - Schedule of Revenue and Expenses**  
*For the year ended March 31, 2018*

|  | <b>2018<br/>Budget<br/>(Note 17)</b> | <b>2018</b>      | <b>2017</b> |
|--|--------------------------------------|------------------|-------------|
| <b>Revenue</b>                               |                                      |                  |             |
| Earnings from First Nation business entities | -                                    | <b>2,833,325</b> | 1,916,721   |
| Indigenous Services Canada                   | -                                    | <b>473,482</b>   | 431,261     |
| Other revenue                                | <b>241,959</b>                       | <b>319,876</b>   | 186,901     |
|  | <b>241,959</b>                       | <b>3,626,683</b> | 2,534,883   |
| <b>Expenses</b>                              |                                      |                  |             |
| Administration                               | <b>16,937</b>                        | <b>16,937</b>    | 11,947      |
| Amortization                                 | -                                    | <b>58,946</b>    | 56,829      |
| Economic development transfers               | -                                    | <b>559,758</b>   | 409,957     |
| Economic discretionary funds                 | <b>100,000</b>                       | <b>45,887</b>    | 53,092      |
|  | <b>116,937</b>                       | <b>681,528</b>   | 531,825     |
| <b>Annual surplus before other items</b>     | <b>125,022</b>                       | <b>2,945,155</b> | 2,003,058   |
| <b>Distribution to members</b>               | <b>-</b>                             | <b>(168,952)</b> | (162,397)   |
| <b>Transfers</b>                             | <b>(70,004)</b>                      | <b>(251,909)</b> | (460,520)   |
| <b>Annual surplus</b>                        | <b>55,018</b>                        | <b>2,524,294</b> | 1,380,141   |

**Stz'uminus First Nation**  
**Natural Resources**  
**Schedule 9 - Schedule of Revenue and Expenses**  
*For the year ended March 31, 2018*

|  | <b>2018<br/>Budget<br/>(Note 17)</b> | <b>2018</b>    | <b>2017</b>    |
|--|--------------------------------------|----------------|----------------|
| <b>Revenue</b>                                   |                                      |                |                |
| Province of British Columbia                     | 35,000                               | 246,921        | 246,921        |
| Fisheries and Oceans Canada                      | 76,940                               | 51,082         | 62,893         |
| Other revenue                                    | 10,170                               | 11,899         | 37,717         |
|  | <b>122,110</b>                       | <b>309,902</b> | <b>347,531</b> |
| <b>Expenses</b>                                  |                                      |                |                |
| Administration                                   | 8,546                                | 23,380         | 23,471         |
| Amortization                                     | -                                    | 11,840         | 11,841         |
| Automotive                                       | 600                                  | 981            | 1,423          |
| Bad debts  | -                                    | 264            | -              |
| Fish costs                                       | 50,000                               | -              | 1,000          |
| Forest range operations                          | -                                    | -              | 15,172         |
| Furniture and equipment                          | -                                    | 200            | 1,638          |
| Insurance  | 3,500                                | 3,658          | 3,678          |
| Professional fees                                | 150,000                              | 156,941        | 147,165        |
| Rent   | -                                    | -              | 200            |
| Repairs and maintenance                          | -                                    | 288            | 2,073          |
| Salaries and benefits                            | 71,131                               | 78,059         | 74,920         |
| Supplies   | 472                                  | 2,002          | 1,948          |
| Telephone  | 1,440                                | 1,650          | 1,440          |
| Travel   | 3,871                                | 3,147          | 4,428          |
|  | <b>289,560</b>                       | <b>282,410</b> | <b>290,397</b> |
| <b>Annual surplus (deficit) before transfers</b> | <b>(167,450)</b>                     | <b>27,492</b>  | <b>57,134</b>  |
| <b>Transfers</b>                                 | <b>50,000</b>                        | <b>31,098</b>  | <b>76,793</b>  |
| <b>Annual surplus (deficit)</b>                  | <b>(117,450)</b>                     | <b>58,590</b>  | <b>133,927</b> |

**Stz'uminus First Nation**  
**Capital Projects**  
**Schedule 10 - Schedule of Revenue and Expenses**  
*For the year ended March 31, 2018*

|  | <b>2018</b><br><i>Budget</i><br><i>(Note 17)</i> | <b>2018</b>      | <b>2017</b>      |
|--|--|------------------|------------------|
| <b>Revenue</b>                         |  |                  |                  |
| Indigenous Services Canada             | 127,068  | 127,068          | -                |
| Other revenue                          | -  | -                | 46,299           |
|  | <b>127,068</b>                                   | <b>127,068</b>   | <b>46,299</b>    |
| <b>Expenses</b>                        |  |                  |                  |
| Amortization                           | -  | 304,751          | 295,734          |
| Contracted services                    | 127,068  | -                | -                |
| Supplies                               | -  | 1,605            | -                |
|  | <b>127,068</b>                                   | <b>306,356</b>   | <b>295,734</b>   |
| <b>Annual deficit before transfers</b> |  | <b>(179,288)</b> | <b>(249,435)</b> |
| <b>Transfers</b>                       |  | <b>8,320</b>     | <b>(4,025)</b>   |
| <b>Annual deficit</b>                  |  | <b>(170,968)</b> | <b>(253,460)</b> |

**Stz'uminus First Nation**  
**Community**  
**Schedule 11 - Schedule of Revenue and Expenses**  
*For the year ended March 31, 2018*

|  | <b>2018<br/>Budget<br/>(Note 17)</b> | <b>2018</b>      | <b>2017</b>      |
|--|--------------------------------------|------------------|------------------|
| <b>Revenue</b>                                   |                                      |                  |                  |
| Indigenous Services Canada                       | 342,886                              | 353,298          | 155,601          |
| Canada Mortgage and Housing Corporation          | -                                    | 165,737          | 196,453          |
| Coast Salish Employment and Training Society     | 143,324                              | 163,949          | 143,324          |
| Rental income                                    | 19,008                               | 185,301          | 173,716          |
| Other revenue                                    | 116,454                              | 125,336          | 95,931           |
|  | <b>621,672</b>                       | <b>993,621</b>   | <b>765,025</b>   |
| <b>Expenses</b>                                  |                                      |                  |                  |
| Administration                                   | 24,754                               | 39,793           | 37,143           |
| Amortization                                     | -                                    | 209,130          | 272,427          |
| Automotive                                       | 1,680                                | 1,625            | 1,536            |
| Bad debts  | -                                    | 500              | -                |
| Band housing repairs and maintenance             | -                                    | 22,040           | 9,626            |
| Community events (recovery)                      | -                                    | (3,500)          | (215)            |
| Contracted services                              | 43,240                               | 106,010          | 336              |
| Economic discretionary funds (recovery)          | -                                    | (379)            | -                |
| Funeral  | -                                    | 60               | 500              |
| Furniture and equipment                          | 19,753                               | 826              | -                |
| Honoraria  | 6,000                                | 910              | -                |
| Insurance  | 13,061                               | 25,390           | 25,961           |
| Interest on long-term debt                       | 30,479                               | 67,064           | 52,459           |
| Miscellaneous                                    | -                                    | 83               | 55,282           |
| Office supplies                                  | 200                                  | 140              | 100              |
| Professional fees                                | -                                    | 6,300            | 7,773            |
| Program education                                | -                                    | 553              | -                |
| Program expense                                  | 4,200                                | 13,280           | 4,731            |
| Property tax                                     | 981                                  | 3,300            | 981              |
| Rent   | -                                    | 2,303            | -                |
| Repairs and maintenance                          | 10,933                               | 95,204           | 134,747          |
| Salaries and benefits                            | 248,296                              | 360,163          | 269,902          |
| Supplies   | 24,524                               | 26,993           | 23,446           |
| Telephone  | 4,080                                | 2,513            | 2,848            |
| Training   | 37,078                               | 50,827           | 62,278           |
| Transfer to CMHC                                 | 123,930                              | -                | -                |
| Travel   | 6,500                                | 6,426            | 3,899            |
| Utilities  | 20,748                               | 31,797           | 26,689           |
|  | <b>620,437</b>                       | <b>1,069,351</b> | <b>992,449</b>   |
| <b>Annual surplus (deficit) before transfers</b> | <b>1,235</b>                         | <b>(75,730)</b>  | <b>(227,424)</b> |
| <b>Transfers</b>                                 | <b>-</b>                             | <b>156,413</b>   | <b>84,826</b>    |
| <b>Annual surplus (deficit)</b>                  | <b>93,615</b>                        | <b>80,683</b>    | <b>(142,598)</b> |