

TSARTLIP FIRST NATION
CONSOLIDATED FINANCIAL STATEMENTS
For the year ended MARCH 31, 2018

**TSARTLIP FIRST NATION
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MARCH 31, 2018**

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TSARTLIP FIRST NATION

***P.O. Box 70
Brentwood Bay, B.C.
V8M 1R3***

Management's Statement of Responsibility

The accompanying consolidated financial statements of Tsartlip First Nation are the responsibility of management and have been approved by Chief and Council.

The consolidated financial statements have been prepared by management in accordance with Canadian public sector accounting standards prescribed for governments as recommended by the Public Sector Accounting Board of the CPA Canada and as such include amounts that are the best estimates and judgments of management.

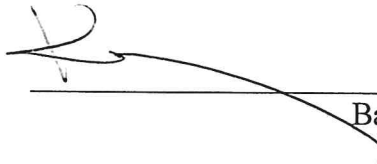
Management is responsible for the integrity and objectivity of these statements and for implementing and maintaining a system of internal controls to provide reasonable assurance that reliable financial information is produced.

Chief and Council are responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control and is ultimately responsible for reviewing and approving the consolidated financial statements.

Chief and Council meet periodically with management, as well as the external auditor, to discuss internal controls over the financial reporting process, auditing matters and financial reporting issues, to satisfy themselves that each party is properly discharging their responsibilities, and to review the consolidated financial statements and the external auditor's report.

The external auditors, Brynjolfson & Company, conduct an independent examination, in accordance with Canadian auditing standards, and express their opinion on the consolidated financial statements. The external auditors have full and free access to financial management of Tsartlip First Nations and meet when required.

On behalf of Tsartlip First Nation:



Band Administrator

Date: Sept 28/10



Brynjolfson & Co.

Chartered Professional Accountant

797 Kona Crescent
Victoria, B.C. V8X 4N9
(Tel: 250-727-7169)
(E-mail: pbrynjolfson@aol.com)

INDEPENDENT AUDITOR'S REPORT

To the Members of
Tsartlip First Nation:

I have audited the accompanying financial statements of the Tsartlip First Nation, which comprises the consolidated statement of financial position as at March 31, 2018, and the consolidated statement of operations, consolidated statement of change in net debt, and consolidated statement of cash flow for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

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

Auditor's responsibility

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

An audit includes performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of fair presentation of the 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 financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements present fairly, in all material respects, the financial position of Tsartlip First Nation as at March 31, 2018, and its financial performance and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.


Date: Sept. 28 / 18
Victoria, BC



Chartered Professional Accountant

TSARTLIP FIRST NATION
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
March 31, 2018


	2018	2017
	Actual	Actual
	\$	\$
Financial assets		
Cash	120,622	-
Restricted Cash, Note 3	321,873	367,781
Trust funds held by federal government, Note 4	182,607	176,354
Accounts Receivable, Note 6	<u>1,058,785</u>	<u>668,501</u>
	<u>1,683,887</u>	<u>1,212,636</u>
Liabilities		
Bank indebtedness	-	675,661
Accounts payable and accrued liabilities	568,091	363,032
Reserves	750,551	686,973
Debt, Note 8	<u>5,243,191</u>	<u>5,620,410</u>
	<u>6,561,833</u>	<u>7,346,076</u>
Net financial assets (net debt)	(4,877,946)	(6,133,440)
Non-financial assets		
Tangible capital assets - Note 7	8,613,847	9,078,481
Prepaid Expenses	58,662	151,360
Inventory	<u>133,085</u>	<u>191,539</u>
	<u>8,805,594</u>	<u>9,421,380</u>
Accumulated surplus	<u>3,927,648</u>	<u>3,287,940</u>

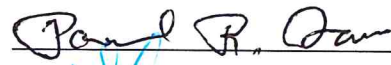
Approved by:


Chief


Councillor


Councillor



Councillor


Councillor


Councillor

The accompanying notes and supplementary schedules are an integral part of these consolidated financial statements.

TSARTLIP FIRST NATION
CONSOLIDATED STATEMENT OF OPERATIONS
For the Year Ended March 31, 2018

	<u>Budget</u>	<u>2018</u>	<u>2017</u>
REVENUES			
INAC	\$ 12,155,253	\$ 12,155,253	10,987,538
Prior year recovery	-	(76,548)	-
Health Canada	1,125,109	1,125,109	1,076,142
Canada Mortgage and Housing Corp.	101,219	101,219	97,764
CSETS	201,095	201,095	202,918
Ottawa Trust – interest/grants	6,250	6,253	5,487
Rental income	370,000	368,811	374,825
Other	1,494,231	2,212,844	1,081,687
Store revenue	<u>1,783,250</u>	<u>3,386,583</u>	<u>2,945,077</u>
	<u>17,236,407</u>	<u>19,480,619</u>	<u>16,771,438</u>
EXPENSES			
Administration	990,096	1,052,640	977,340
Operations and Maintenance	525,522	700,604	630,565
Health	1,173,654	1,223,168	1,085,910
Social Development	1,477,176	1,743,960	1,625,887
Capital Operations	1,194,932	1,235,751	251,284
Education	8,817,941	8,335,482	7,819,645
Economic Development and Jobs	260,197	274,043	363,218
Housing	361,381	369,898	366,783
Band Generated	<u>2,435,508</u>	<u>3,905,365</u>	<u>3,544,321</u>
	<u>17,236,407</u>	<u>18,840,911</u>	<u>16,664,953</u>
ANNUAL SURPLUS	<u>-</u>	639,708	106,485
ACCUMULATED SURPLUS, BEGINNING OF YEAR		<u>3,287,940</u>	<u>3,181,455</u>
ACCUMULATED SURPLUS, ENDING		\$ <u>3,927,648</u>	\$ <u>3,287,940</u>

The accompanying notes and supplementary schedules are an integral part of these consolidated financial statements.

TSARTLIP FIRST NATION
CONSOLIDATED STATEMENT OF CHANGE IN NET FINANCIAL ASSETS (NET DEBT)
For the year ended March 31, 2018

	2018 Actual \$	2017 Actual \$
Annual surplus	639,708	106,485
Amortization of tangible capital assets	<u>464,634</u>	<u>490,855</u>
	<u>1,104,342</u>	<u>597,340</u>
Net consumption (acquisition) of supplies inventory	58,454	(42,252)
Net use of (acquisition) prepaid expenses	<u>92,698</u>	<u>(123,577)</u>
	<u>151,152</u>	<u>(165,829)</u>
Increase in net financial assets	1,255,494	431,511
Net financial assets (net debt), beginning of year	<u>(6,133,440)</u>	<u>(6,564,951)</u>
Net financial assets, end of year	<u>(4,877,946)</u>	<u>(6,133,440)</u>

Note: 2018 budget figures are not available.

The accompanying notes and supplementary schedules are an integral part of these consolidated financial statements.

TSARTLIP FIRST NATION
CONSOLIDATED STATEMENT OF CASH FLOW
For the Year Ended March 31, 2018

	2018	2017
	Actual	Actual
	\$	\$
Operating activities		
Annual surplus (deficit)	639,708	106,485
Changes in non-cash items:		
Amortization	464,634	490,855
Accounts receivable	(390,284)	(153,825)
Prepaid expenses	92,698	(123,577)
Accounts payable	205,059	(551,553)
Inventory	58,454	(42,252)
Reserve	63,578	67,521
Ottawa Trust	<u>(6,253)</u>	<u>(5,587)</u>
	<u>1,127,594</u>	<u>(211,933)</u>
Financing Activities		
First Nations debt retirement	<u>(377,219)</u>	<u>(375,713)</u>
Increase in cash and cash equivalents	750,375	(587,646)
Cash and equivalents – Beginning of year	<u>(307,880)</u>	<u>279,766</u>
Cash and equivalents – End of year	<u>442,495</u>	<u>(307,880)</u>
REPRESENTED BY:		
CASH (Bank indebtedness)	120,622	(675,661)
CASH – Restricted	<u>321,873</u>	<u>367,781</u>
	<u>442,495</u>	<u>(307,880)</u>

The accompanying notes and supplementary schedules are an integral part of these consolidated financial statements.

TSARTLIP FIRST NATION
NOTES TO THE FINANCIAL STATEMENTS
March 31, 2018

1. NATURE OF OPERATIONS

Tsartlip First Nation (the “First Nation”) is an Indian Band as defined by the Indian Act. The First Nation manages various programs offered by Indigenous and Northern Affairs Canada (INAC) and other funding agents to benefit its members. The First Nation also represents its members in the negotiation of treaty settlement and specific lands claims.

2. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES

These Consolidated Financial Statements have been prepared in accordance with Canadian public sector accounting standards for government entities as recommended by the CPA Canada Public Sector Accounting Board.

a) Reporting Entity

The reporting entity includes the Tsartlip First Nation government and all related entities which are accountable to the First Nation and are either owned or controlled by the First Nation.

b) Principles of Consolidation

These financial statements consolidate the assets, liabilities and results of operations for entities which are controlled by the First Nation. Controlled entities are consolidated, except for government business enterprises (GBE), and government business partnerships (GBP), which are accounted for by the modified equity method. All inter-fund and inter-organization transactions and balances have been eliminated on consolidation.

The First Nation records its investments in GBE and GBP on the modified equity basis. Under this basis, the GBE and GBP accounting policies are not adjusted to conform with those of the First Nation and inter-entity transactions and balances are not eliminated. The First Nation recognizes its equity interest in the annual earnings or loss of the GBE and GBP in its consolidated statement of operations with a corresponding increase or decrease in its investment asset account. Any dividends or other cash distributions that the First Nation may receive from the GBE and GBP will be reflected as deductions in the investment asset account.

The commercial enterprises and business partnerships accounted for on a modified equity basis include:

1. T.F.N. Holdings Ltd – currently inactive

c) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, balances with banks net of bank overdrafts and term deposits having a maturity of three months or less at acquisition which are held for the purpose of meeting short-term cash commitments.

TSARTLIP FIRST NATION
NOTES TO THE FINANCIAL STATEMENTS
March 31, 2018

d) Inventory

Inventories are measured at the lower of cost and net realizable value, with cost being determined using the first-in, first-out method. Net realizable value is the estimated selling price in the ordinary course of business, less any applicable variable selling costs.

e) Trust Funds

Trust funds are included as revenue in these statements only to the extent they have been received from the First Nation's trust funds. The trust funds 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.

f) Debt

Loan proceeds related to the financing of tangible capital assets are recorded as revenue in the appropriate fund. The loan amount is also recorded as a liability on the Statement of Financial Position and as a reduction in the Tangible Capital Asset Fund.

Debt payments, including principal and interest, are charged to the fund to which they relate. Principal reductions are reflected as a reduction in the liability with an offsetting increase in the Tangible Capital Asset Fund.

g) Tangible Capital Assets

Tangible capital assets are recorded at cost, which includes amounts that are directly related to the acquisition, design, construction, development, improvement or betterment of the assets. Cost includes overhead directly attributable to construction and development, as well as interest costs that are directly attributable to the acquisition or construction of the asset.

Amortization is provided for over their estimated useful lives using the diminishing balance method, at the following rates:

Housing	5%
Buildings and improvements	4%
General equipment	20%
Infrastructure	4%

Tangible capital assets are written down when conditions indicate that they no longer contribute to the First Nation's ability to provide goods and services, or when the value of future economic benefits associated with the tangible capital assets are less than their net book value. The net write-downs are accounted for as expenses in the consolidated statement of operations.

TSARTLIP FIRST NATION
NOTES TO THE FINANCIAL STATEMENTS
March 31, 2018

Contributed tangible capital assets are recorded into revenues at their fair value on the date of donation, except in circumstances where fair value cannot be reasonably determined, in which case they are recognized at nominal value. Transfers of tangible capital assets from related parties are recorded at carrying value.

Certain assets which have historical or cultural value, including works of art, historical documents and historical and cultural artifacts, are not recognized as tangible capital assets. Assets under construction are not amortized until the asset is available to be put into service.

h) Revenue Recognition

Government Funding:

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

First Nation Capital and Revenue Trust Fund:

The First Nation recognizes revenues 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.

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.

Own Source Revenue:

Revenues are recognized in the period in which the transactions or events occurred that gave rise to the revenues. All revenues are recorded on an accrual basis, except when the accruals cannot be determined with a reasonable degree of certainty or when their estimation is impracticable.

Contributions from other sources are deferred when restrictions are placed on their use by the contributor, and are recognized as revenue when used for the specific purpose.

Revenue related to fees or services received in advance of the fee being earned or the service performed is deferred and recognized when the fee is earned or service performed.

TSARTLIP FIRST NATION
NOTES TO THE FINANCIAL STATEMENTS
March 31, 2018

i) Financial Instruments

Financial instruments are initially classified upon initial recognition as a fair value or amortized cost instrument. The fair value category includes investments in equity instruments that are quoted in an active market, and any other items elected by the First Nation to be recorded at fair value. All other financial instruments, including financial instruments with related parties for which fair value cannot be estimated, are recorded at an amortized cost. Transaction costs directly attributable to the acquisition or issue of a financial instrument are added to the amortized cost or expensed if related to instruments recorded on a fair value basis. The effective interest rate method is used to measure interest for financial instruments recorded at an amortized cost.

All financial assets are assessed for impairment on an annual basis. When a decline is determined to be other than temporary, the amount of the loss, calculated as the excess of the net recoverable amount of the asset and its carrying value, is reported in the statement of operations and any unrealized gain is adjusted through the statement of re-measurement gains and losses.

When the asset is sold, the unrealized gains and losses previously recognized in the statement of re-measurement gains and losses are reversed and recognized in the statement of operations.

The First Nation's financial instruments consist of cash and cash equivalents, accounts receivable, loans receivable, long-term debt, accounts payable and accrued liabilities. It is management's opinion that the First Nation is not exposed to significant interest rate, market, currency, credit, or liquidity risks arising from these financial instruments and that the fair value of these financial instruments approximate their carrying values.

j) Measurement Uncertainty

In preparing the consolidated financial statements for the First Nation, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, at the date of the consolidated financial statements and the reported amounts of revenue and expenses during the period. Items requiring the use of significant estimates include allowance for doubtful accounts and amortization. Actual results could differ from these estimates.

TSARTLIP FIRST NATION
NOTES TO THE FINANCIAL STATEMENTS
March 31, 2018

3. CASH AND CASH EQUIVALENTS

	2018	2017
	<u>\$</u>	<u>\$</u>
Externally restricted		
Mayne Island logging funds	316,984	315,254
Reserve accounts – CMHC Housing	<u>4,889</u>	<u>52,527</u>
	<u>321,873</u>	<u>367,781</u>
Unrestricted		
Cash and banks	<u>120,622</u>	<u>(675,661)</u>
Total Cash and Cash Equivalents	<u>442,495</u>	<u>(307,880)</u>

Externally restricted – Operating Reserve:

Under the terms of the agreements with 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. The funds may be used to offset future deficits. Withdrawals are credited to interest first and the principal. At the year end, the reserve was under funded by \$388,419 (2017 under funded by \$367,116).

Externally restricted – Replacement Reserve:

Under the terms of the agreement with CMHC, the replacement reserve account is to be credited in the amount of \$42,280 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, the reserve was under funded by \$357,247 (2017 under funded by \$267,330).

TSARTLIP FIRST NATION
NOTES TO THE FINANCIAL STATEMENTS
March 31, 2018

4. TRUST FUNDS HELD BY FEDERAL GOVERNMENT

Trust fund accounts arise from moneys 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. The management of these funds are primarily governed by Sections 63 to 69 of the Indian Act.

	Opening Balance	Additions	Withdraws	2018 Total	2017 Total
	\$	\$	\$	\$	\$
Revenue	13,205	6,253	-	19,458	13,205
Capital	<u>163,149</u>	<u>-</u>	<u>-</u>	<u>163,149</u>	<u>163,149</u>
	<u>176,354</u>	<u>6,253</u>	<u>-</u>	<u>182,607</u>	<u>176,354</u>

5. ECONOMIC DEPENDENCE

The government of Tsartlip First Nation receives a major portion of its revenue from Indigenous and Northern Affairs Canada. The nature and extent of this revenue is of such significance that the First Nation is economically dependent on this source of revenue.

6. ACCOUNTS RECEIVABLE

	<u>2018</u>	<u>2017</u>
• Development fees & expense recovery	\$ 102,629	\$ 111,500
• Development – PH1 Land Lease	134,418	134,418
• Funding agencies	168,056	80,643
• Housing loan	80,160	82,441
• Other	65,963	38,468
• GST refund	296,528	-
• Rents - housing	<u>211,031</u>	<u>221,031</u>
	<u>\$ 1,058,785</u>	<u>\$ 668,501</u>

TSARTLIP FIRST NATION
NOTES TO THE FINANCIAL STATEMENTS
March 31, 2018

7. CAPITAL ASSETS

	<u>Cost</u>	<u>Accumulated Amortization</u>	Net Book Value <u>2018</u>	Net Book Value <u>2017</u>
Land	739,367	-	739,367	\$ 739,367
Land – Development	268,596	-	268,596	268,596
Housing	872,624	425,056	447,568	471,932
Administration Building	1,200,000	511,241	688,759	717,457
Health Equipment	49,092	45,936	3,156	3,945
Health Building	2,671,362	647,375	2,023,987	2,130,512
Equipment	447,213	299,477	147,736	184,670
Store Building	1,422,340	189,112	1,233,228	1,284,612
Store Equipment	<u>252,970</u>	<u>110,695</u>	<u>142,275</u>	<u>178,091</u>
	<u>7,923,564</u>	<u>2,228,892</u>	<u>5,694,672</u>	<u>5,979,182</u>
CMHC Housing	<u>4,239,889</u>	<u>1,320,713</u>	<u>2,919,176</u>	<u>3,099,299</u>
TOTALS	<u>\$12,163,453</u>	<u>\$3,549,605</u>	<u>\$8,613,847</u>	<u>\$9,078,481</u>

Note: There were no additions or deletions of tangible capital assets during 2018.

8. DEBT

	<u>2018</u>	<u>2017</u>
All Nations Trust loan repayable at \$1,495 per month including including interest at 4.74%. Secured by a mortgage on buildings, matures Mar. 1, 2022	130,176	141,219
Bank of Montreal loan for the building of a new house to replace member's home destroyed by fire. Due on demand but is being amortized over 25 years. Repayable at \$542 per month including interest at prime + 1.75%	75,748	78,528
Bank of Montreal demand loan used for building innovative housing, being amortized over 20 years repayable at \$1,645 per month including interest at prime plus 1.5%	189,943	200,749
Bank of Montreal demand loan non-revolving for the building of the community health centre, repayable at 2,353 per month plus interest at prime plus 1%	308,233	336,469

TSARTLIP FIRST NATION
NOTES TO THE FINANCIAL STATEMENTS
March 31, 2018

8. Debt (continued)	<u>2018</u>	<u>2017</u>
Bank of Montreal demand loan non-revolving to assist with the construction of the gas bar and convenience store, repayable at \$13,014 principal and interest at prime plus 1.25%	1,466,724	1,561,515
Tale'awtxw Aboriginal Capital Corporation, loan to assist with construction of gas bar and convenience store, repayable at \$1,092 per month, repayment over 80 months, interest at 12%, subject to a 40% grant if the borrower meets the terms of the commitment letter and has repaid sixty per cent (60%) of the principal and required interest	58,455	64,168
CAT Financial, loan to assist with purchase of Excavator to be used for capital projects, repayable at \$3,726 per month, repayment over 60 months, interest a 5.45%	94,738	138,463
Canada Mortgage and Housing Corporation Mortgages, secured by ministerial guarantees from INAC and first mortgages on social housing units.		
- Loan #220-95475001 repayable at \$2,344 per month, including interest at 1.12%, matures Feb. 1/25	187,179	213,066
- Loan #220-95475002 repayable at \$2,378 per month, including interest at 1.01%, matures Jan. 1/26	214,850	241,078
- Loan #220-95475003 repayable at \$2,713 per month, including interest at 1.97%, matures Oct. 1/28	310,893	337,591
- Loan #220-95475004 repayable at \$5,822 per month, including interest at 0.98%, matures Mar. 1/35	1,093,944	1,152,804
- Loan #220-96475001 repayable at \$2,393 per month, including interest at 1.67%, matures Jan. 1/40	525,462	545,262
- Loan #220-96475001 repayable at \$2,391 per month, including interest at 1.01%, matures Feb. 1/41	<u>586,846</u>	<u>609,498</u>
Total	\$ <u>5,243,191</u>	\$ <u>5,620,410</u>

TSARTLIP FIRST NATION
NOTES TO THE FINANCIAL STATEMENTS
March 31, 2018

Estimated principal repayments required over the next five years:

2019	\$ 363,000	2022	\$ 380,000
2020	\$ 368,000	2023	\$ 385,500
2021	\$ 374,000		

9. SOCIAL HOUSING RESERVES

a) Replacement Reserve

Under the terms of the agreement with CMHC, a replacement reserve is maintained to provide for future asset replacement. These funds, along with accumulated interest, must be held in a separate bank account. Use of these funds is restricted to expenditures approved by CMHC.

b) Operating Reserve

Under the terms of the agreement with CMHC (Section 95, Post 1997 on Reserve Program), any surplus revenue will be retained within an Operating Reserve. These funds, along with accumulated interest, must be held in a separate bank account. Use of these funds is restricted to ongoing operating costs of housing projects committed under the Post 1997 On Reserve Program.

10. EXPENSES BY OBJECT

	<u>2018</u>	<u>2017</u>
Wages	\$ 1,115,871	\$ 1,047,622
Benefits	159,748	158,801
Amortization	464,634	490,855
Contracts	1,545,990	647,611
Cost of sales	3,013,465	2,538,133
Government transfers to school	8,307,941	7,771,387
Materials and supplies	353,597	314,283
Other	2,117,850	2,126,353
Professional fees	150,547	197,087
Social Assistance	<u>1,611,268</u>	<u>1,372,821</u>
	<u>\$ 18,840,911</u>	<u>\$ 16,664,953</u>

TSARTLIP FIRST NATION
NOTES TO THE FINANCIAL STATEMENTS
March 31, 2018

11. ACCUMULATED SURPLUS

Accumulated surplus represents operational surplus/(deficit) and government contributions provided to assist in the purchase or construction of tangible capital assets.

The change in accumulated surplus balance for the year is as follows:

	<u>Operations</u>	<u>Equity in Cap Assets</u>	<u>2018 Total</u>
Opening balance	(578,379)	3,866,319	3,287,940
Additions	<u>639,708</u>	<u>—</u>	<u>639,708</u>
	<u>61,329</u>	<u>3,866,319</u>	<u>3,927,648</u>

12. CONTINGENT LIABILITIES

- a) Restricted unexpended surpluses can be recovered by the funding agency.
- b) The First Nation has Ministerial Guarantees for loan balances outstanding. The contingent liability as at year-end amounts to \$3,965,007 (2017 - \$3,473,426) as per confirmation provided by Indigenous and Northern Affairs Canada.

13. COMPARATIVE FIGURES

Prior year's comparative amounts have been reclassified where necessary to conform to the current year's presentation.

14. SEGMENTED DISCLOSURE

Tsartlip First Nation Schedule of Segmented Operations For the Year Ended March 31, 2018

											2018	2017
	Admin.	Operations & Maintc.	Health	Social Develop.	Capital	Economic Dev Education & Employment	CMHC Housing	Band Generated	Ottawa Trust	TOTAL	TOTAL	
Revenue												
AANDC	802,911	435,522		1,746,329	438,354	8,686,941	45,196			12,155,253	10,987,538	
AANDC - Recoveries	(27,564)			(48,984)						(76,548)		
Health Canada / FNHA			1,125,109							1,125,109	1,157,397	
CMHC							101,219			101,219	97,764	
CSETS							210,092			210,092	202,918	
Other	332,883	92,090	100,624	7,511	953,494	131,000	36,567	268,679	3,959,845	6,253	5,888,946	4,325,821
	1,108,230	527,612	1,225,733	1,704,856	1,391,848	8,817,941	291,855	369,898	3,959,845	6,253	19,404,071	16,771,438
Expenditure												
Salaries and Benefits	304,485	28,063	466,613	126,858			200,031	40,592	108,977		1,275,619	1,206,423
Amortization								190,929	273,705		464,634	490,855
Direct Assistance				1,611,268							1,611,268	1,372,821
Education Flow-through						8,307,941					8,307,941	7,771,387
Program and Other Costs	748,155	672,541	756,555	5,834	1,235,751	27,541	74,012	138,377	3,446,135		7,104,901	5,556,524
	1,052,640	700,604	1,223,168	1,743,960	1,235,751	8,335,482	274,043	369,898	3,828,817	-	18,764,363	16,398,010
Annual surplus (deficit)	55,590	(172,992)	2,565	(39,104)	156,097	482,459	17,812		131,028	6,253	639,708	106,485