

**TSAWOUT FIRST NATION
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2018**

*Brynjolfson & Co.
Chartered Professional Accountant*

TSAWOUT FIRST NATION
CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2018

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CONSOLIDATED FINANCIAL STATEMENTS

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TSAWOUT FIRST NATION

7728 Tetayut Rd

Saanichton, B.C. V8M 2E4

Management's Report

Management's Responsibility for the Consolidated Financial Statements

The accompanying consolidated financial statements of Tsawout 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 government entities 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 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 Tsawout First Nations and meet when required.

On behalf of Tsawout First Nation:

Date: _____
Victoria, B.C.

Band Administrator



Brynjolfson & Co.
Chartered Professional Accountant

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Victoria, B.C. V8X 4N9
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INDEPENDENT AUDITOR'S REPORT

To the Members of Tsawout First Nation:

I have audited the accompanying consolidated financial statements of Tsawout First Nation, which comprise 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 the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves 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 and 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 consolidated financial statements present fairly, in all material respects, the financial position of Tsawout 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

September 28, 2018

Brynjolfson & Co.

Chartered Professional Accountant

Tsawout First Nation
Consolidated Statement of Financial Position
As of March 31, 2018

STATEMENT 1

	<u>2018</u>	<u>2017</u>
Financial Assets		
Cash, Note 3	2,609,054	1,081,656
Accounts Receivable, Note 6	2,134,735	1,614,057
Ottawa Trust Funds, Note 4	14	7
	<u>\$4,743,803</u>	<u>\$2,695,720</u>
Liabilities		
Accounts Payable and Accrued Liabilities, Note 13	431,674	657,121
Deferred Revenue, Note 9	1,685,997	86,117
Debt, Note 8	6,939,274	7,349,466
Replacement Reserves	1,605,716	959,806
Total Liabilities	<u>10,662,661</u>	<u>9,052,511</u>
Net Debt	<u>(5,918,858)</u>	<u>(6,356,790)</u>
Non-Financial Assets		
Tangible Capital Assets, Note 7	11,353,214	11,865,356
Prepaid Expenses	37,793	93,487
Total Non-Financial Assets	<u>11,391,007</u>	<u>11,958,843</u>
Accumulated Surplus	<u>\$5,472,149</u>	<u>\$5,602,052</u>

Approved by Chief and Council:

_____	_____	_____
_____	_____	_____
_____	_____	_____

See Accompanying Notes to Financial Statements

Tsawout First Nation
Consolidated Statement of Operations
For the Year Ended March 31, 2018

STATEMENT 2

	<u>Approved Budget</u>	<u>2018</u>	<u>2017</u>
Revenue			
Indigenous and Northern Affairs Canada	2,387,925	4,255,579	2,537,131
Health Canada	1,106,674	1,178,693	1,102,636
Government of Canada - Gst	1,441,342	1,472,732	1,551,572
Other Federal Funding	589,590	632,424	488,250
Provincial Funding	8,700	11,089	8,700
Water and Sewer Charges	369,996	379,925	347,032
Property Taxation	1,139,750	1,196,492	1,144,612
Reserve Fund	0	1,029	0
Rentals and Rental Subsidies	964,085	1,097,055	864,175
Sales and Own Source Revenue	95,734	53,750	102,782
Deferred Revenue	30,000	(1,516,380)	61,962
Interest and Other	787,806	661,957	662,462
Funding Reimbursements (Recoveries)	(36,986)	0	0
Total Revenue	<u>8,884,616</u>	<u>9,424,346</u>	<u>8,871,314</u>
Expenses			
Governance & Administration	504,444	371,388	453,206
Social Development & Training	1,010,064	972,451	908,181
Lands Management	1,213,042	1,200,267	1,112,508
Infrastructure & Public Works	1,109,962	1,215,799	566,299
Economic Development	11,840	60,102	177,459
Douglas Treaty	0	0	(3,444)
Health Services	1,216,661	1,060,925	936,852
Capital Projects	488,824	866,385	488,551
FNGST Programs	1,347,608	1,274,353	2,186,336
Fisheries	166,868	58,326	186,791
Property Taxation	1,159,785	1,543,871	1,208,618
Recreation & Community Facilities	77,642	60,663	67,756
Social Housing	193,542	299,032	271,869
Education Support Services	377,144	429,221	319,911
Trust Funds	0	2,108	0
Total Expenses	<u>8,877,425</u>	<u>9,414,891</u>	<u>8,880,892</u>
Annual surplus (deficit)	<u>7,190</u>	<u>9,455</u>	<u>(9,578)</u>
Accumulated surplus, beginning		5,602,051	5,739,435
Increase (Decrease) Equity in Tangible Capital Assets		(139,357)	(127,806)
Accumulated surplus, ending	<u>7,190</u>	<u>5,472,149</u>	<u>5,602,051</u>

See Accompanying Notes to Financial Statements

STATEMENT 3**Tsawout First Nation****For the 12 period(s) Ending March 31, 2018****Consolidated Statement of Change in Net Debt**

	<u>2018</u>	<u>2017</u>
Annual surplus (deficit)	9,454	(9,577)
Tangible capital assets:		
Acquisition and adjustments of tangible capital assets	(23,680)	(33,749)
Amortization of tangible capital assets in operations	535,823	535,048
Transfer capital surplus equity to operations	(139,358)	(127,806)
	<u>382,239</u>	<u>363,916</u>
Acquisition of prepaid asset	(37,793)	(93,487)
Use of prepaid asset	<u>93,487</u>	<u>22,447</u>
	<u>55,694</u>	<u>(71,040)</u>
Decrease in Net Debt	437,933	292,876
Net debt at beginning of year	<u>(6,356,790)</u>	<u>(6,649,666)</u>
Net debt at end of year	<u>(5,918,858)</u>	<u>(6,356,790)</u>

Note: 2018 budget figures are not available.

STATEMENT 4**Tsawout First Nation****For the 12 period(s) Ending March 31, 2018****Consolidated Statement of Cash Flow**

	<u>2018</u>	<u>2017</u>
Operating Activities		
Annual surplus (deficit)	9,454	(9,577)
Items not affecting cash:		
Amortization of tangible capital assets	535,823	535,048
Amortization charged to equity in capital assets	(139,358)	(127,806)
Change in non-cash charges to operations		
Accounts receivable	(520,678)	(175,808)
Ottawa Trust	(7)	-
Accounts payable and accruals	(225,447)	(627,659)
Deferred revenue	1,599,880	(61,962)
Reserves	645,910	254,155
Prepaid expenses	55,694	(71,040)
Cash provided by (used in) operating activities	<u>1,961,271</u>	<u>(284,649)</u>
Capital Activities		
Acquisition of tangible capital assets	<u>(23,680)</u>	<u>(33,749)</u>
Financing Activities		
Repayment of long term debt	<u>(410,193)</u>	<u>(340,327)</u>
Increase (decrease) in cash during year	1,527,398	(658,725)
Cash at beginning of year	<u>1,081,656</u>	<u>1,740,381</u>
Cash at end of year	<u>2,609,054</u>	<u>1,081,656</u>
REPRESENTED BY		
Cash	2,176,412	702,689
Restricted cash	<u>432,642</u>	<u>377,967</u>
	<u>2,609,054</u>	<u>1,080,656</u>

See Accompanying Notes to Financial Statements

**TSAWOUT FIRST NATION
NOTES TO THE FINANCIAL STATEMENTS
March 31, 2018**

1. NATURE OF OPERATIONS

Tsawout 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 Public Sector Accounting Board of the CPA Canada.

a) Reporting Entity

The reporting entity includes the Tsawout 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 are Stautw Property Development Corp. and Tkian Developoment Corp. Both corporations are currently inactive.

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

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.

d) 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.

e) Deferred Revenue

Under the terms of the contribution agreement between the First Nation, INAC and certain other agencies, the First Nation may be liable to repay any contributed funds either not expended or not expended in accordance with the agreement. Also, any deficit, supported by claims eligible for reimbursement under the terms and conditions of the funding agreements, may be reimbursed by the contributor subject to the program's terms and conditions. The First Nation has recorded all known unexpended contribution funds as deferred revenue and/or accounts payable.

f) Long-term 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.

Land development is measured at cost for legal, consulting and engineering work needed to prepare the lands for subsequent property development agreement(s).

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

Amortization is provided for on a straight-line basis, over the the expected useful life of the assets at the following rates:

Infrastructure	2%
Buildings	3%
Non-CMHC Housing	5%
CMHC Housing	6%
Equipment – communication	5%
Equipment – construction & yard	5%
Equipment – classroom	7%
Equipment – marine	10%
Equipment – office	20%
Equipment – computer	33%
Vehicles	20%

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.

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.

**TSAWOUT FIRST NATION
NOTES TO THE FINANCIAL STATEMENTS
March 31, 2018**

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.

i) Financial Instruments

The First Nation's financial instruments consist of cash and cash equivalents, accounts 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.

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

3. CASH AND CASH EQUIVALENTS

	2018	2017
	<u>\$</u>	<u>\$</u>
Externally restricted		
Housing – restricted cash	432,610	377,960
Ottawa Trust	<u>32</u>	<u>7</u>
	<u>432,642</u>	<u>377,967</u>
Unrestricted		
Cash and banks	<u>2,176,412</u>	<u>703,689</u>
Total Cash and Cash Equivalents	<u>2,609,054</u>	<u>1,081,656</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 over funded by \$ 9,852 (2017 under funded by \$ 2,312).

Externally restricted – Replacement Reserve:

Under the terms of the agreement with CMHC, the replacement reserve account is to be credited in the amount of \$31,044 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 over funded by \$327 (2017 under funded by \$ 3,782).

TSAWOUT 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	-	2,108	2,101	7	-
Capital	<u>7</u>	<u>-</u>	<u>-</u>	<u>7</u>	<u>7</u>
	<u><u>7</u></u>	<u><u>2,108</u></u>	<u><u>2,101</u></u>	<u><u>14</u></u>	<u><u>7</u></u>

5. ECONOMIC DEPENDENCE

The government of Tsawout 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>
• CSETS	\$ 118,796	\$ 26,632
• Fisheries	56,300	23,923
• Govt of Canada	345,549	47,509
• Rents Social Housing	659,689	647,852
• Other	605,644	498,068
• Taxation	166,367	257,974
• Utility Fees	<u>538,545</u>	<u>482,519</u>
	2,490,887	1,984,477
Less: Allowance for Doubtful Accounts	<u>(356,152)</u>	<u>(370,420)</u>
	<u><u>\$2,134,735</u></u>	<u><u>\$1,614,057</u></u>

**TSAWOUT FIRST NATION
NOTES TO THE FINANCIAL STATEMENTS
March 31, 2018**

7. TANGIBLE CAPITAL ASSETS

	C O S T			A M O R T I Z A T I O N			
	Opening Balance	Additions	Closing Balance	Opening Balance	Amorti- zation	Closing Balance	2018 Balance
Buildings	11,144,553	-	11,144,553	2,869,432	283,023	3,152,455	7,992,098
Equipment	734,419	23,680	758,099	640,427	27,546	667,973	90,126
Infrastructure	3,397,462	-	3,397,462	1,371,213	67,949	1,439,162	1,958,300
Equipment - auto	124,190	-	124,190	86,754	9,888	96,642	27,548
Equipment – marine	24,215	-	24,215	16,950	2,421	19,371	4,844
Land development	329,763	-	329,763	-	-	-	329,763
Social Housing	<u>4,099,721</u>	<u>-</u>	<u>4,099,721</u>	<u>3,004,190</u>	<u>144,996</u>	<u>3,149,186</u>	<u>950,535</u>
TOTALS	\$<u>19,867,088</u>	<u>23,680</u>	<u>19,878,003</u>	<u>7,988,966</u>	<u>535,823</u>	<u>8,524,789</u>	<u>11,353,214</u>

* There were no deletions during the year.

8. DEBT

	<u>2018</u>	<u>2017</u>
Royal Bank of Canada, payable on demand, bearing interest at a fixed rate of 2.16%, blended payments of \$657 per month	\$ 38,788	\$ 46,929
Bank of Montreal, loan bearing interest at prime plus .50%, payable of \$2,696 per month blended, payable on demand	327,505	348,742
Bank of Montreal, fixed rate term loan, interest at P + 3%, payments of \$37,148 per month amortized over 25 years	4,180,472	4,343,867
Bank of Montreal, loan bearing interest at prime plus 1%, payments of \$11,585 per month blended, payable on demand	1,441,974	1,514,400
Mortgage payable with payments of \$3,143 per month including interest at 1.92% per annum, due April 2019, secured by ministerial guarantee of the Minister of Indian and Northern Affairs.	37,401	74,082

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

Mortgage payable with payments of \$2,264 per month including interest at 1.82% per annum, due Sept. 2019, secured by ministerial guarantee of the Minister of Indian and Northern Affairs.	162,687	186,712
Mortgage payable with payments of \$2,333 per month including interest at 1.43% per annum, due April 2022, secured by ministerial guarantee of the Minister of Indian and Northern Affairs.	238,702	263,170
Mortgage payable with payments of \$3,046 per month including interest at 1.92% per annum, due April 2019, secured by ministerial guarantee of the Minister of Indian and Northern Affairs.	212,809	245,015
Mortgage payable with payments of \$2,838 per month including interest at 2.39% per annum, due March 2023, secured by ministerial guarantee of the Minister of Indian and Northern Affairs.	<u>298,936</u>	<u>326,549</u>
Sub total	6,939,274	7,349,466
Less: current portion	<u>567,000</u>	<u>410,192</u>
	<u>\$ 6,372,274</u>	<u>\$ 6,939,274</u>

Anticipated annual principal repayments over the next five years are as follows:

Year 1	567,000
Year 2	547,000
Year 3	565,000
Year 4	584,000
Year 5	603,000

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

9. DEFERRED REVENUE	<u>2018</u>	<u>2017</u>
Indian Affairs	\$ 1,522,897	\$ -
Other	<u>163,100</u>	<u>86,117</u>
	\$ <u>1,685,997</u>	\$ <u>86,117</u>

10. 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.

11. EXPENSES BY OBJECT	<u>2018</u>	<u>2017</u>
Wages	\$ 1,357,831	\$ 1,313,494
Benefits	234,970	227,407
Amortization	535,823	535,048
Contracts	1,621,542	1,408,842
Grants and donations	464,350	472,800
Lease flow-through	741,741	652,254
Materials and supplies	270,455	317,675
Municipal services	798,569	956,382
Other	2,449,498	2,005,363
Professional fees	100,546	223,564
Social Assistance	<u>839,566</u>	<u>768,064</u>
	\$ <u>9,414,891</u>	\$ <u>8,880,893</u>

**TSAWOUT FIRST NATION
NOTES TO THE FINANCIAL STATEMENTS
March 31, 2018**

12. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	<u>2018</u>	<u>2017</u>
Trade payables	\$ 389,553	\$ 571,715
Accrued salaries and employee benefits	<u>42,120</u>	<u>85,407</u>
	<u>\$ 431,673</u>	<u>\$ 657,122</u>

13. ACCUMULATED SURPLUS

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

	<u>2018</u>	<u>2017</u>
Operations	\$ 1,607,642	\$ 1,596,668
Invested in Tangible Capital Assets	<u>3,864,507</u>	<u>4,005,384</u>
	<u>\$ 5,472,149</u>	<u>5,602,052</u>

14. 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 \$1,605,011 (2017 - \$1,457,188) as per confirmation provided by Indigenous and Northern Affairs Canada (INAC).

15. COMPARATIVE FIGURES

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

16. SEGMENTED STATEMENT OF OPERATIONS

Tsawout First Nation
Schedule of Segmented Operations
(Unaudited)
For the 12 Months Ending March 31, 2018

	Governance & Social Development Administration	Land Management	Infrastructure & Public Works	Economic Development	Douglas Track	Health Services	Capital Projects	FNOST Programs	Fisheries	Property Taxation	Recreation & Community Facilities	Education Support Services	Social Housing	Trust Funds	Totals - 2018
Revenue															
AANDC	405,531	1,027,009	317,386	484,706	40,740	0	0	1,855,410	0	0	0	110,387	0	0	4,255,579
Health Canada	0	0	0	0	0	1,178,893	0	0	0	0	0	0	0	0	1,178,893
Other Federal Funding	0	0	10,123	0	0	0	0	313,934	1,472,732	32,377	0	198,988	77,022	0	2,105,157
Own Source Revenue	0	0	787,157	500,223	0	0	0	0	30,000	1,196,462	32,612	11,089	200,738	0	2,738,312
Reserve Fund Revenue	0	0	0	0	0	0	0	0	0	0	0	0	1,029	0	1,029
Interest and Other	83,475	250	107,219	250,700	6,000	56,422	3,415	0	22,616	2,205	0	125,151	387	2,115	661,955
Deferred Revenue	0	0	8,517	0	0	0	(1,516,597)	0	0	0	0	(6,300)	0	0	(1,516,380)
	\$493,407	\$1,027,259	\$1,208,402	\$1,235,629	\$48,740	\$0	\$1,235,114	\$666,162	\$1,472,732	\$84,993	\$1,198,697	\$493,205	\$279,177	\$2,115	\$9,324,344
Expenditures															
Salaries and Benefits	183,587	109,905	167,031	280,634	0	0	531,457	0	21,571	0	58,685	216,846	24,076	0	1,533,971
Amortization	12,380	0	0	372,239	291	0	152	0	2,422	0	3,332	0	144,956	0	535,823
Direct Assistance	0	839,556	0	0	0	0	0	0	0	0	0	0	0	0	839,556
Debt Servicing and Interest	6,835	0	0	254,852	0	0	0	0	0	753	0	0	17,306	0	279,765
Program Delivery Costs and Other	728,700	15,282	955,991	1,263,536	60,102	0	326,333	884,344	27,887	1,316,537	1,978	192,117	112,654	0	6,328,192
	\$929,462	\$964,733	\$1,123,022	\$2,171,461	\$60,383	\$0	\$857,842	\$864,344	\$51,880	\$1,317,730	\$63,995	\$408,963	\$299,032	\$0	\$9,577,238
Transfers to (from) other departments	(558,104)	7,718	77,246	(955,662)	(291)	0	202,983	2,040	6,446	226,141	(3,332)	20,258	0	2,108	(162,447)
	\$371,358	\$972,451	\$1,200,267	\$1,215,799	\$60,102	\$0	\$1,060,825	\$866,385	\$58,326	\$1,543,871	\$60,663	\$429,221	\$299,032	\$2,108	\$9,414,891
Annual surplus (deficit)	\$122,019	\$54,808	\$8,135	\$19,830	\$0	\$0	\$174,189	(\$200,222)	\$198,380	(\$345,174)	(\$28,051)	\$10,864	(\$19,835)	\$7	\$9,453

