

**TSEYCUM FIRST NATION**  
**CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31, 2019**

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at March 31, 2019

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\*A Professional Corporation

**To the Members of  
Tseycum First Nation**

**MANAGEMENT'S RESPONSIBILITY**

The financial statements of Tseycum First Nation have been prepared in accordance with Canadian accounting standards for public sector organizations. When alternative accounting methods exist, management has chosen those it deems most appropriate in the circumstances. These statements include certain amounts based on management's estimates and judgments. Management has determined such amounts based on a reasonable basis in order to ensure that the financial statements are presented fairly in all material respects.

The integrity and reliability of Tseycum First Nation's reporting systems are achieved through the use of formal policies and procedures, the careful selection of employees and an appropriate division of responsibilities. These systems are designed to provide reasonable assurance that the financial information is reliable and accurate.

The Chief and Council is responsible for ensuring that management fulfills its responsibility for financial reporting and is ultimately responsible for reviewing and approving the financial statements. The Chief and Council carries out this responsibility principally through its management. The management is appointed by the Chief and Council and meets periodically with members' auditors to review significant accounting, reporting and internal control matters. Following its review of the financial statements and discussions with the auditors, the management reports to the Chief and Council prior to its approval of the financial statements. Management also considers, for review by the Chief and approval by the members, the engagement or re-appointment of the external auditors.

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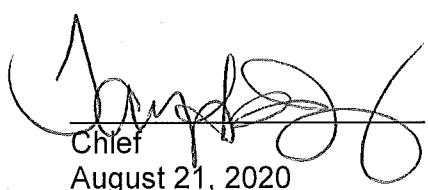
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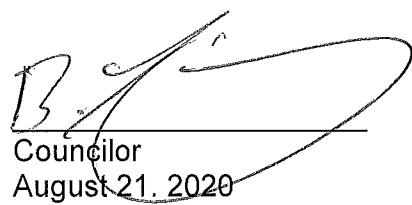
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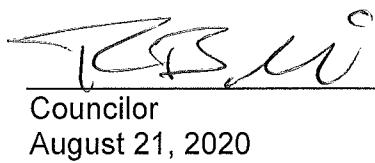
The financial statements have been audited on behalf of the shareholders by PALMER LESLIE, Chartered Professional Accountants, in accordance with Canadian accounting standards for public sector organizations.



Chief  
August 21, 2020



Councilor  
August 21, 2020



Councilor  
August 21, 2020

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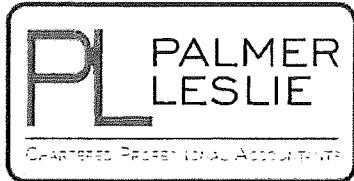
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**To the Members of  
Tseycum First Nation**

**INDEPENDENT AUDITORS' REPORT**

We have audited the accompanying consolidated financial statements of Tseycum First Nation, which comprise the Consolidated Statement of Financial Position as at March 31, 2019 and the Consolidated Statements of Operations and Accumulated Surplus, Change in Net Financial Debts and Cash Flows for the year then ended, a summary of significant accounting policies and other explanatory information and schedules one through six which are comprised of the Statement of Financial position, Statement of Operations and Accumulated Surplus, Change in Net Financial Debts and Cash Flows for the Social Housing program.

*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 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 of 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 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 First Nation'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 First Nation'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

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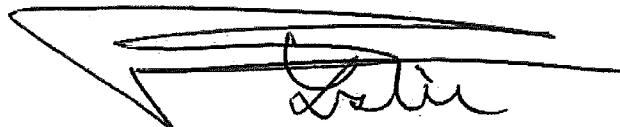
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as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

*Opinion*

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Tseyicum First Nation as at March 31, 2019, and the results of its operations, the changes in its net debt and its cash flows for the year then ended in accordance with Canadian Public Sector Accounting Standards.

Duncan, BC  
August 21, 2020

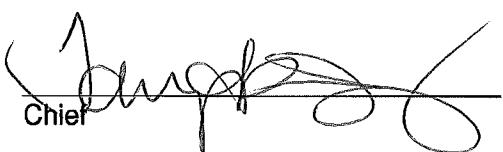
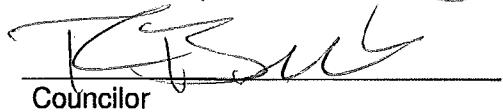


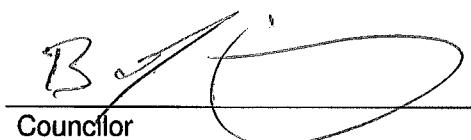
Chartered Professional Accountants

**Exhibit "A"**

**TSEYCUM FIRST NATION**  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT MARCH 31, 2019**

	2019	2018
<b>Financial Assets</b>		
Cash and cash equivalents	\$ -	\$ 96
Restricted cash (Note 7)	16,814	19,973
Accounts receivable (Note 4)	402,534	438,359
Inventory	-	1,310
Portfolio investments (Note 5)	3	3
	<u>419,351</u>	<u>459,741</u>
<b>Liabilities</b>		
Bank indebtedness (Note 12)	131,918	193,919
Accounts payable and accrued liabilities	569,681	208,953
Deferred revenues	99,317	91,116
Bank loans (Notes 9 &17)	451,727	475,444
Accrued payroll and benefits	86,281	49,762
	<u>1,338,924</u>	<u>1,019,194</u>
<b>Net Debt - Exhibit "C"</b>	<u>(919,573)</u>	<u>(559,453)</u>
<b>Non-Financial Assets</b>		
Tangible capital assets (Notes 1 & 10)	4,204,319	4,375,607
Deferred expenditures (Note 6)	22,677	15,253
	<u>4,226,996</u>	<u>4,390,860</u>
<b>Accumulated Surplus - Exhibit "B"</b>	<u>\$ 3,307,423</u>	<u>\$ 3,831,407</u>

  
 Chief  
  
 Councilor

  
 Councillor

**Exhibit "B"**

**TSEYKUM FIRST NATION**  
**CONSOLIDATED STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS**  
**FOR THE YEAR ENDED MARCH 31, 2019**

	2019		2018
	Budget	Actual	
<b>Revenue</b>			
Federal Government:			
Department of Indigenous and Northern Affairs	\$ 700,570	\$ 932,147	\$ 640,258
Department of Fisheries and Oceans	-	40,090	56,740
Mortgage and Housing Corporation	-	99,604	253,506
Provincial Government	-	183,788	115,855
Victoria Airport Authority	-	63,804	26,778
Coast Salish Employment and Training Society	67,158	72,892	56,345
Fishing license lease	-	112,396	4,500
First Nation Education Steering Committee	-	18,583	8,015
First Nation Health Authority	-	152,455	70,482
Victoria Native Friendship Centre	-	34,240	21,481
Intertribal Health Authority	286,156	288,095	262,756
Mainroad South Island Contracting	-	18,887	28,052
Tsartlip First Nation	45,828	45,831	45,831
BC Hydro	-	2,000	2,000
Camosun College	-	11,720	3,300
BCAAFC	-	2,500	-
First Nations Summit Society	-	2,083	-
Capital Regional District	-	1,040	67,298
Donations	-	-	3,250
Royal BC Museum	-	30,000	-
United Way of Victoria	10,000	10,000	10,000
Port of Vancouver	-	8,000	-
Vancouver Port Authority	-	-	229,000
Transmountain Pipeline - consultaion	-	43,386	-
Allardyce Bower Foundation	-	21,647	-
New Relationship Trust	-	7,500	4,000
Cafeteria	-	28,477	-
Interest	-	-	-
Rent	-	88,481	76,511
District of North Saanich	-	-	3,700
Western Canada Marine	-	-	12,227
NILTUO CFS Society	-	33,350	36,780
Fortis BC	-	-	1,838
Trust funds held by Federal Gov't (Note 7)	-	629	591
Economic activities - other	-	29,500	23,096
	<b>1,109,712</b>	<b>2,383,125</b>	<b>2,064,190</b>

**Exhibit "B"**

**TSEYCUM FIRST NATION**  
**CONSOLIDATED STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS**  
**FOR THE YEAR ENDED MARCH 31, 2019**

	2019	2018
	Budget	Actual
<b>Revenue (balance forward)</b>	1,109,712	2,383,125
<b>Expenses</b>		
Amortization	-	198,452
Operating fund (net of cost allocations) (Note 11)	1,197,296	2,665,006
Social housing (net of cost allocations) (Note 11)	-	43,651
General capital fund (net of cost allocations) (Note 11)	-	64,184
	<u>1,197,296</u>	<u>2,907,109</u>
	<u>1,197,296</u>	<u>2,258,611</u>
<b>Annual surplus/(deficit) - Exhibits "C" &amp; "D"</b>	(87,584)	(523,984)
<b>SURPLUS, beginning of year</b>	<u>3,831,407</u>	<u>3,831,407</u>
<b>Accumulated Surplus/(Deficit), end of year - Exhibit "A"</b>	<u>\$ 3,743,823</u>	<u>\$ 3,307,423</u>
	<u>\$ 3,743,823</u>	<u>\$ 3,307,423</u>
	<u>\$ 3,831,407</u>	<u>\$ 3,831,407</u>

**Exhibit "C"**

**TSEYCUM FIRST NATION**  
**CONSOLIDATED STATEMENT OF CHANGE IN NET DEBT**  
**FOR THE YEAR ENDED MARCH 31, 2019**

	2019	2018
	Budget	Actual
<b>Annual Surplus - Exhibit "B"</b>	\$ (87,584)	\$ (523,984)
Acquisition of tangible capital assets	-	(27,165)
Amortization of tangible capital assets	-	198,452
Use of prepaid expenses	<u>-</u>	<u>(7,423)</u>
(Increase)/Decrease in net debt	(87,584)	(360,120)
Net debt, beginning of year	<u>(559,453)</u>	<u>(559,453)</u>
<b>Net debt, end of year - Exhibit "A"</b>	<u>\$ (647,037)</u>	<u>\$ (919,573)</u>
	<u>\$ (559,453)</u>	<u>\$ (559,453)</u>

**Exhibit "D"**

**TSEYKUM FIRST NATION  
CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED MARCH 31, 2019**

	<b>2019</b>	<b>2018</b>
<b>Operating transactions</b>		
Annual Surplus - Exhibit "B"	\$ (523,984)	\$ (194,421)
Non-cash items included in annual surplus/(deficit)		
Amortization of tangible capital assets	198,452	201,546
	<u>(325,532)</u>	<u>7,125</u>
Change in non-cash working capital balances		
Accounts receivable	35,825	(287,705)
Deferred expenditures	(7,424)	(12)
Inventory	1,310	(1,310)
Accounts payable and accrued liabilities	360,728	140,852
Deferred revenues	8,201	56,276
Accrued payroll and benefits	36,520	21,914
Cash provided by operating transactions	<u>109,628</u>	<u>(62,860)</u>
<b>Capital transactions</b>		
Proceeds on disposal of capital assets		
Acquisition of tangible capital assets	(27,165)	(57,852)
Cash provided/(applied) by capital transactions	<u>(27,165)</u>	<u>(57,852)</u>
<b>Financing transactions</b>		
Repayment of loans	(23,717)	(40,660)
Cash applied to financing transactions	<u>(23,717)</u>	<u>(40,660)</u>
<b>Increase/(decrease) in cash and cash equivalents</b>	<b>58,746</b>	<b>(161,372)</b>
<b>Cash and cash equivalents, beginning of year</b>	<b>(173,850)</b>	<b>(12,478)</b>
<b>Cash and cash equivalents, end of year</b>	<b>\$ (115,104)</b>	<b>\$ (173,850)</b>
<b>Represented by:</b>		
<b>Cash - Restricted</b>	\$ 16,814	\$ 20,069
<b>Bank overdraft</b>	(131,918)	(193,919)
	<u>\$ (115,104)</u>	<u>\$ (173,850)</u>

## **TSEYCUM FIRST NATION**

### **NOTES TO THE FINANCIAL STATEMENTS**

#### **FOR THE YEAR ENDED MARCH 31, 2019**

#### **1. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES**

These summarized financial statements have been prepared in accordance with Generally Accepted Accounting Standards for the public sector as recommended by the Public Sector Accounting Board of the Canadian Institute of Chartered Professional Accountants, which encompasses the following principles:

##### **Fund Accounting**

The assets and liabilities have been segregated by fund in respective statements of financial position. Operating results are reported by schedule for the purpose of providing information relating to specific objectives, as determined by statutory requirement, management needs or pursuant to various fiscal arrangements entered into by the First Nation.

The Operating Fund reports the general and local Government activities of the First Nation Administration.

The Social Housing Fund reports the activities within the First Nation sponsored Social Housing Program.

The Enterprise Fund reports the results of activities for independent commercial entities owned by the First Nation.

The Trust Fund reports on trust funds owned by the First Nation and held by third parties.

The Capital Fund reports the capital asset transactions of the First Nation, including information as to the source and application of financing.

##### **Saanich Indian School Board**

Tseycum First Nation has permitted Indigenous and Northern Affairs Canada to allocate its education funding to the Saanich Indian School Board. Indigenous and Northern Affairs Canada has contributed these monies directly to the School Board. Tseycum First Nation is not responsible for the activities of the school.

##### **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 provide resources to discharge existing liabilities but are employed to deliver First Nation services, may be consumed in normal operations and are not for resale. Non-financial assets include tangible capital assets, prepaid expenses and inventories of supplies.

## TSEYCUM FIRST NATION

### NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED MARCH 31, 2019

#### 1. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES cont'd

##### **Tangible Capital Assets**

Buildings, infrastructure and equipment expenditures incurred after March 31, 2000 were valued at acquisition cost and were recorded in the Capital Fund. With the exception of Band Owned Housing and Social Housing, expenditures incurred previous to April 1, 2000 were charged to operations in the year of acquisition and had not been reflected in the Capital Fund.

The acquisition costs of tangible capital assets and payments on capital debt, which are not funded from capital financing sources, are funded by the applicable revenue source in the year of acquisition. These expenditures are also recorded as an addition to the assets of the Capital Fund with a corresponding increase in Equity in Capital Assets.

Tangible Capital Assets are amortized annually with a corresponding reduction in Equity in Capital Assets. Assets are amortized over their expected useful life using the declining balance method at the following rates:

Buildings	4%
Community Infrastructure	4%
Equipment	20%
General Housing	5%
Computers	100%

In the year of acquisition 50% of the normal amortization is recorded.

##### **Net Debt**

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

##### **Revenue Recognition**

Revenue is recognized as it becomes receivable under the terms of applicable funding agreements.

Funding received which relates to the following fiscal period is reflected as deferred revenue on the Statement of Financial Position.

Funding which is received and recorded as revenue in the current period, but which is committed to expenditures in the subsequent period or is subject to recovery by the funding agency, is classified as a restricted surplus.

**TSEYCUM FIRST NATION**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED MARCH 31, 2019**

**1. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES cont'd**

**Measurement Uncertainty**

In preparing the financial statements for the government of Tseycum First Nation, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenue and expenses during the period. The main estimates used in preparing these financial statements include allowance for doubtful accounts and accrued liabilities. Actual results could differ from these estimates.

**2. ECONOMIC DEPENDENCE**

The First Nation received a major portion of its operating revenues pursuant to an agreement referred to as "The Comprehensive Funding Arrangement". This agreement has been entered into by Tseycum First Nation and Indigenous and Northern Affairs Canada. It is expected that the agreement will be renewed on an annual basis.

Funding is based on an annual budget which is agreed to by the parties and consists of flexible transfer payments and contribution payments. In the case of the flexible transfer payments, the First Nation is permitted to use surpluses at its own discretion, provided the terms and conditions of the agreement are met, but must take responsibility for any deficits. In the case of the contribution payments, any surpluses must be returned to Indigenous and Northern Affairs Canada.

**3. TRANSFERS**

All transfers between funds have been approved by the Council with an appropriate Band Council Resolution having been affected where required.

**TSEYCUM FIRST NATION**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31, 2019**

**4. ACCOUNTS RECEIVABLE**

	2019	2018
<b>Operating Fund</b>		
Band Members	\$ 31,986	\$ 24,165
Government of Canada		
Department of Fisheries and Oceans	80,274	44,193
Goods and Services Tax	5,300	5,438
Child Maintenance	-	(853)
Indigenous and Northern Affairs Canada	111,596	8,022
Province of British Columbia	-	4,556
Coast Salish Employment and Training Society	26,855	14,478
Canada Mortgage and Housing	43,515	25,224
First Nation Entities	10,491	-
Archaeology Monitoring	-	2,404
Capital Regional District	-	73,953
Royal BC Museum	6,000	-
N.I.L.T.U.O.	7,800	-
Allardyce Bower Foundation	2,629	-
Intertribal Health Authority	21,093	-
Trans Mountain Pipeline	33,386	-
Band owned Housing – CMHC Funding	-	192,060
Miscellaneous	-	8,715
	<u>380,925</u>	<u>402,355</u>
<b>Social Housing Fund</b>		
Rent	<u>36,004</u>	<u>36,004</u>
	<u><u>\$ 416,929</u></u>	<u><u>\$ 438,359</u></u>

**5. PORTFOLIO INVESTMENTS**

	2019	2018
Long Term Investments	<u>\$ 3</u>	<u>\$ 3</u>

This corporation is a subsidiary of the First Nation and was incorporated under the British Columbia Company Act on July 26, 2001. The company's year end is March 31. The company is presently inactive and its only asset is a trailer. All operating expenses for the asset are paid by the First Nation and are reflected in these financial statements.

**TSEYCUM FIRST NATION**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31, 2019**

**6. DEFERRED EXPENDITURES**

Deferred expenditures consist of the following payments made in the current year which are related to activities in the next fiscal period.

	<b>2019</b>	<b>2018</b>
Prepaid Expenses	\$ -	\$ -
Social Development payments	<u>22,677</u>	<u>15,253</u>
	<u><u>\$ 22,677</u></u>	<u><u>\$ 15,253</u></u>

**7. RESTRICTED CASH**

Ottawa Trust Funds	\$ 8,207	\$ 7,578
Replacement Reserve	8,607	12,395
	<u><u>\$ 16,814</u></u>	<u><u>\$ 19,973</u></u>

**Ottawa Trust Funds**

The Ottawa 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.

	<b>Opening Balance</b>	<b>Additions</b>	<b>Withdrawals</b>	<b>Closing Balance</b>	
				<b>2019</b>	<b>2018</b>
Revenue	\$ 6,979	\$ 629	-	\$ 7,608	\$ 6,979
Capital	599	-	-	<u>599</u>	<u>599</u>
				<u><u>\$ 8,207</u></u>	<u><u>\$ 7,578</u></u>

## **TSEYCUM FIRST NATION**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019**

#### **7. RESTRICTED CASH cont'd**

##### **Replacement Reserve**

Under the terms of the agreement with Canada Mortgage and Housing Corporation, the Replacement Reserve account is to be credited in the amount of \$7,000 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.

##### **Subsidy Surplus Reserve**

Under the terms of the agreement with Canada Mortgage and Housing Corporation, excess federal assistance payments received may be retained in a subsidy surplus reserve up to a maximum of \$500 per unit plus interest. The reserve is to be comprised of monies deposited 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 this account may only be used to meet future subsidy requirements of income tested occupants over and above the maximum federal assistance. At year end, this Reserve was not funded.

#### **8. USE OF ESTIMATES**

The preparation of financial statements in accordance with Generally Accepted Accounting Standards for the Public Sector Accounting Board requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and revenue and expenses during the reporting period. Significant areas requiring the use of management estimates relate to the collectibility of accounts receivable, deferred revenues and provisions for contingencies. Actual results could differ from those estimates. Adjustments, if any, will be reflected in operations in the period of settlement.

**TSEYCUM FIRST NATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31, 2019**

**9. LONG TERM DEBT**

Lender	Loan	Interest Rate	Compounding	Maturity Date	Monthly Payment	2019	2018
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**Band Owned Housing Loans**

The following loans are secured by a Ministerial Guarantee utilizing the Ottawa Trust Funds as security:

Royal Bank	Demand Loan	Semi-Annual	Dec. 2021	\$ 1,059	\$ 33,657	\$ 45,226
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**Social Housing Loans**

The following loans are governed by the Canada Mortgage and Housing Corporation funding arrangement and are secured by Ministerial Guarantee utilizing the Ottawa Trust Funds as security:

CMHC - Royal Bank	Demand Loan	Semi-Annual	Oct. 2018	\$ 2,996	\$ 418,070	\$ 430,218
				\$ 4,055	\$ 451,727	\$ 475,444

**TOTAL GROSS DEBT**

**TSEYCUM FIRST NATION**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED MARCH 31, 2019**

**9. LONG TERM DEBT cont'd**

**FUTURE SCHEDULED PRINCIPAL REDUCTION**

**Band Owned Housing Loans**

Royal Bank

	2020	2021	2022	2023	2024
\$ 12,708	\$ 19,810	\$ -	\$ -	\$ -	\$ -

**Social Housing Loans**

CMHC – Royal Bank

	2020	2021	2022	2023	2024
<u>418,070</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
<u>\$ 430,778</u>	<u>\$ 19,810</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>

**TOTAL**

**TSEYCUM FIRST NATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31, 2019**

**10. TANGIBLE CAPITAL ASSETS**

	Cost Mar. 31, 2018	Additions	Dispositions/ Transfers	Cost Mar. 31, 2019
<b>Operating Fund</b>				
Band Housing	\$ 2,238,872	\$ -	\$ -	\$ 2,238,872
Multi Purpose Building and Longhouse	223,505	1,500	-	225,005
Portables	140,652	-	-	140,652
Head Start Building	42,500	-	-	42,500
Drainage Improvements	582,516	-	-	582,516
Water Mains and Road Upgrades	960,304	-	-	960,304
Infrastructure	729,966	-	-	729,966
Sewer Systems	522,045	-	-	522,045
Foreshore Project	167,773	-	-	167,773
General Equipment	122,216	14,777	-	136,993
Vehicle Equipment	22,991	-	-	22,991
Office Equipment	76,699	-	-	76,699
Computer Equipment	53,686	8,097	-	61,783
	<u>5,883,725</u>	<u>24,374</u>	<u>-</u>	<u>5,908,099</u>
<b>Social Housing Fund</b>				
Buildings and Equipment	<u>1,147,779</u>	<u>2,791</u>	<u>-</u>	<u>1,150,570</u>
	<u><u>\$ 7,031,504</u></u>	<u><u>\$ 27,165</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 7,058,669</u></u>
	Accumulated Amortization	Amortization	Dispositions/ Transfers	Accumulated Amortization
<b>Operating Fund</b>				
Band Housing	\$ 683,051	\$ 62,233	\$ -	745,284
Multi Purpose Building and Longhouse	109,576	4,157	-	113,733
Portables	76,098	6,306	-	82,404
Head Start Building	850	1,666	-	2,516
Drainage Improvements	220,846	14,467	-	235,313
Water Mains and Road Upgrades	211,044	29,971	-	241,015
Infrastructure	225,632	20,173	-	245,805
Sewer Systems	240,283	11,271	-	251,554
Foreshore Project	74,030	3,749	-	77,779
General Equipment	103,164	4,550	-	107,714
Vehicle Equipment	19,707	1,210	-	20,917
Office Equipment	74,789	1,121	-	75910
Computer Equipment	41,585	8,882	-	<u>50,467</u>
	<u>2,080,655</u>	<u>169,756</u>	<u>-</u>	<u>2,250,411</u>
<b>Social Housing Fund</b>				
Buildings and Equipment	<u>575,242</u>	<u>28,697</u>	<u>-</u>	<u>603,939</u>
	<u><u>\$ 2,655,897</u></u>	<u><u>\$ 198,453</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 2,854,350</u></u>
Net Book Value	<u><u>\$ 4,375,607</u></u>			<u><u>\$ 4,204,319</u></u>

**TSEYCUM FIRST NATION**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31, 2019**

**10. TANGIBLE CAPITAL ASSETS cont'd**

Interest included in cost of additions in the year ended March 31, 2019 totalled \$nil (2018 - \$nil). All tangible capital assets were amortized in the year.

**11. EXPENDITURES BY OBJECT**

	2019	2018
<b>Operating fund</b>		
Advertising and donations	\$ 1,280	\$ -
Bad Debt Expenses	58,152	49,857
Basic needs	248,099	228,091
Bank charges and interest	12,564	11,726
Bereavement	169	
Contract - general	831,672	590,771
Equipment lease and repairs	4,032	7,712
Honoraria	255,422	108,242
Insurance, licenses & dues	108,922	14,061
Materials and supplies	206,255	121,730
Meetings	939	750
Membership pay-out	-	1,000
Mortgage interest	12,680	12,681
Office	12,490	5,919
Professional fees	71,067	116,206
Programs	27,421	186,336
Repairs and maintenance	68,321	57,178
Training	11,160	2,708
Travel	66,038	29,621
Telephone and utilities	48,874	54,000
Wages and benefits	585,583	401,705
INAC Funding Recoveries	-	19,170
Cost allocations	<u>34,034</u>	<u>(26,752)</u>
	<u><b>\$ 2,665,005</b></u>	<u><b>\$ 1,992,881</b></u>

**TSEYCUM FIRST NATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31, 2019**

**11. EXPENDITURES BY OBJECT Cont'd**

	<b>2019</b>	<b>2018</b>
<b>Social Housing</b>		
Administration	\$ 4,800	\$ -
Contract – general	-	3,915
Insurance	4,623	8,793
Materials and supplies	-	188
Mortgage payments	21,096	45,024
Professional fees	1,500	3,000
Replacement Reserve	7,000	13,556
Travel	514	-
Utilities	19,057	19,057
Cost allocations	<u>(14,939)</u>	<u>(29,349)</u>
	<u><b>\$ 43,651</b></u>	<u><b>\$ 64,184</b></u>

**12. BANK INDEBTEDNESS**

	<b>2019</b>	<b>2018</b>
RBC term loan bearing interest at RBC prime rate + 2.13%.	\$ -	\$ 160,000
RBS overdraft on chequing accounts	77,999	-
RBC line of credit bearing interest at RBC prime rate + 1.5% per annum.	<u>53,919</u>	<u>33,919</u>
	<u><b>\$ 131,918</b></u>	<u><b>\$ 193,919</b></u>

**13. RESTRICTED EQUITY IN FINANCIAL ASSETS**

Certain program surpluses are restricted as to their use. They may be committed to the continuation of the particular program, subject to recovery by the applicable funding agency, or generally accessible for limited purposes only and not available for use in general operations.

**14. DEFICIT RECOVERY AND GOING CONCERN CONSIDERATIONS**

The First Nation is economically dependent on the Department of Indigenous and Northern Affairs Canada (INAC). The funding to the First Nation is expected to last in the foreseeable future, however, if funding is lost, the First Nation could not continue operations.

## TSEYCUM FIRST NATION

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

#### 15. RELATED PARTIES

At year end, payroll advances, rental payments owed and loans to Elected Officials of the First Nation totaled \$25,561 (2018 - \$35,245).

The First Nation has guaranteed three members' mortgages for 3 homes built on the reserve in prior years. The balances in the three mortgages at March 31, 2019 are \$ 26,664; \$ 63,800 and \$ 42,321 (2018 - \$136,419). Should any of the members default on their loan, the title to the home would revert to the First Nation. Two of the homes were appraised at \$298,000 and \$285,000 respectively at March 31, 2007.

#### 16. COMPARATIVE FIGURES

The comparative balances have been reclassified where necessary to the current financial statement format.

#### 17. FINANCIAL INSTRUMENTS

The First Nation's financial instruments consist of cash, accounts receivable, accounts payable and accrued liabilities. It is the First Nation Management's opinion that the First Nation is not exposed to significant interest rate, credit, or currency risk arising from these financial instruments.

##### **Held for trading**

Any financial instrument whose fair value can be reliably measured may be designated as held for trading on initial recognition of adoption of CICA (PSAB) 3450 Financial Instruments - Recognition and Measurement, even if that instrument would otherwise satisfy the definition of held for trading. The First Nation has classified the following assets and liabilities as held for trading: cash and term deposits.

The First Nation's held for trading instruments are initially recognized at their fair value. Any gain/loss arising as a result of the difference between the carrying amount and their fair value is recognized in net income. Fair value is approximated by the instrument's initial cost in a transaction between unrelated parties. Transactions to purchase or sell these items are not recorded on the settlement date. Held for trading financial instruments are subsequently measured at their fair value. Net gains and losses arising from changes in fair value are recognized immediately in income.

##### **Loans and receivables**

The First Nation has classified the following financial assets as loans and receivables: accounts receivable. The assets are initially recognized at their fair value. Fair value is approximated by the instrument's initial cost in a transaction between unrelated parties. Transactions to purchase or sell items are recorded on the settlement date. Total interest income, calculated using the effective interest rate method, is recognized in total income.

**TSEYCUM FIRST NATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31, 2019**

**Other financial liabilities**

The First Nation has classified the following financial liabilities as other financial liabilities: accounts payable. These liabilities are initially recognized at their fair value. Fair value is approximated by the instrument's initial cost in a transaction between unrelated parties. Transactions to purchase or sell these items are recorded on the settlement date. Total interest expense (if any) is calculated using the effective interest rate method and would be recognized in net income.

**18. BUDGET FIGURES**

The budget figures were compiled from information provided by the management of the First Nation and were neither audited nor reviewed.