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**HESQUIAHT FIRST NATION**

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**FINANCIAL STATEMENTS**  
**YEAR ENDED MARCH 31, 2018**

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## **HESQUIAHT FIRST NATION**

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### **YEAR ENDED MARCH 31, 2018**

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## MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

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

The consolidated financial statements have been prepared by management in accordance with Canadian public sector accounting standards. Financial statements are not precise since they include certain amounts based on estimates and judgments. When alternative accounting methods exist, management has chosen those it deems most appropriate in the circumstances in order to ensure that the consolidated financial statements are presented fairly, in all material respects.

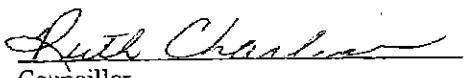
The First Nation maintains systems of internal accounting and administrative controls of high quality consistent with reasonable cost. Such systems are designed to provide reasonable assurance that the financial information is relevant, reliable and accurate and the First Nation's assets are appropriately accounted for and adequately safeguarded.

The First Nation Council is responsible for ensuring that management fulfills its responsibilities for financial reporting and is ultimately responsible for reviewing and approving the consolidated financial statements.

The First Nation Council reviews the First Nation's consolidated financial statements and management letter. The Council meets periodically with management, as well as the external auditors, 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 auditors' report. The Council approves the consolidated financial statements for issuance to the members. The Council also considers, for review and approval by the members, the engagement of the external auditors.

The consolidated financial statements have been audited by McGorman MacLean, Chartered Professional Accountants in accordance with Canadian generally accepted auditing standards on behalf of the members. McGorman MacLean has full and free access to the Council.

  
Councillor

  
Councillor

  
Councillor

  
Councillor

## HESQUIAHT FIRST NATION

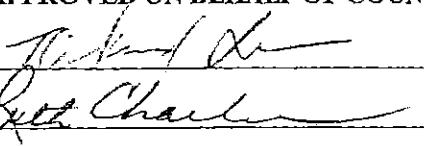
### CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT MARCH 31, 2018

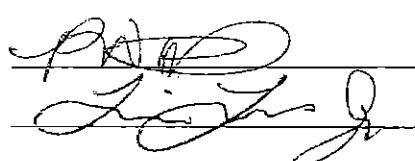
	2018	2017
<b>FINANCIAL ASSETS</b>		
Cash (note 4)	\$ 2,018,553	\$ 1,400,716
Funds on deposit in Ottawa Trusts (note 4)	50,763	47,985
Accounts receivable (note 5)	419,524	682,860
Receivable from Ma-mook Natural Resources Ltd.	50,933	76,333
Investment in Hayu Fishing Limited Partnership (note 6)	815,112	595,895
	3,354,885	2,803,789
<b>FINANCIAL LIABILITIES</b>		
Accounts payable and accrued liabilities	465,769	673,996
Damage deposits	1,916	1,916
Deficit in Hayu Fishing Ltd. (note 7)	1,596	1,240
Long term debt (note 8)	2,620,920	2,710,542
	3,090,201	3,387,694
<b>NET ASSETS (DEBT)</b>	264,684	(583,905)
<b>NON-FINANCIAL ASSETS</b>		
Prepaid expenses (note 9)	174,813	54,912
Inventory	55,489	12,758
Tangible capital assets (note 10)	8,628,332	8,538,711
	8,858,634	8,593,623
<b>ACCUMULATED SURPLUS</b>	\$ 9,123,318	\$ 8,022,476
<b>ACCUMULATED SURPLUS AT END OF YEAR CONSISTS OF:</b>		
Restricted (note 11)	\$ 1,749,865	\$ 1,251,219
Unrestricted	1,269,566	844,005
	3,019,431	2,095,224
Investment in tangible capital assets	8,326,488	8,149,853
Treaty debt deficit	(2,222,601)	(2,222,601)
	\$ 9,123,318	\$ 8,022,476

Contingent liabilities (note 12)

Commitment (note 13)

APPROVED ON BEHALF OF COUNCIL:

  
Richard D.  
Bent Charlie

  
Paul D.  
Light Jr.

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## HESQUIAHT FIRST NATION

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### CONSOLIDATED STATEMENT OF CHANGES IN NET ASSETS (DEBT) YEAR ENDED MARCH 31, 2018

	<b>2018</b>	<b>2017</b>
<b>SURPLUS FOR THE YEAR</b>	\$ 1,100,842	\$ 1,631,379
Acquisition of tangible capital assets	(954,307)	(1,801,624)
Amortization of tangible capital assets	864,686	844,880
Use of inventory	12,758	53,760
Acquisition of inventory	(55,489)	(12,758)
Use of prepaid expenses	54,912	54,768
Acquisition of prepaid expenses	(174,813)	(54,912)
<b>CHANGE IN NET ASSETS</b>	848,589	715,493
<b>NET DEBT AT BEGINNING OF YEAR</b>	(583,905)	(1,299,398)
<b>NET ASSETS (DEBT) AT END OF YEAR</b>	\$ 264,684	\$ (583,905)

## HESQUIAHT FIRST NATION

### CONSOLIDATED STATEMENT OF CASH FLOWS YEAR ENDED MARCH 31, 2018

	2018	2017
<b>OPERATING ACTIVITIES</b>		
Annual surplus	\$ 1,100,842	\$ 1,631,379
Adjust for amortization which does not involve cash	864,686	844,880
	<hr/>	<hr/>
	1,965,528	2,476,259
Changes in non-cash working capital		
Decrease (Increase)		
Accounts receivable	263,336	(359,197)
Receivable from Ma-mook Natural Resources Ltd.	25,400	25,400
Prepaid expenses	(119,901)	(144)
Inventory	(42,731)	41,002
Increase (Decrease)		
Accounts payable and accrued liabilities	(208,227)	373,935
	<hr/>	<hr/>
	(82,123)	80,996
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	<hr/>	<hr/>
	1,883,405	2,557,255
<b>CAPITAL TRANSACTIONS</b>		
Purchase of tangible capital assets	(954,307)	(1,801,625)
<b>INVESTING ACTIVITIES</b>		
Increase in investment in Hayu Fishing Limited Partnership	(219,217)	(331,731)
Increase in deficit in Hayu Fishing Ltd.	356	214
	<hr/>	<hr/>
	(218,861)	(331,517)
<b>FINANCING ACTIVITIES</b>		
Repayment of long term debt	(89,622)	(98,523)
<b>INCREASE IN CASH</b>	<hr/>	<hr/>
<b>CASH AND EQUIVALENTS AT BEGINNING OF YEAR</b>	620,615	325,590
<b>CASH AND EQUIVALENTS AT END OF YEAR</b>	<hr/>	<hr/>
	\$ 1,448,701	\$ 1,123,111
	<hr/>	<hr/>
<b>CASH AND EQUIVALENTS AT END OF YEAR</b>	\$ 2,069,316	\$ 1,448,701
<b>CASH AND EQUIVALENTS CONSIST OF:</b>		
Cash	\$ 2,018,553	\$ 1,400,716
Funds on deposit in Ottawa Trusts	50,763	47,985
	<hr/>	<hr/>
	\$ 2,069,316	\$ 1,448,701

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## **HESQUIAHT FIRST NATION**

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### **NOTES TO CONSOLIDATED FINANCIAL STATEMENTS YEAR ENDED MARCH 31, 2018**

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

These consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles for local government entities, as outlined by the Public Sector Accounting Board (PSAB) of the Organization of Chartered Professional Accountants of British Columbia, which encompass the following principles:

**(a) Basis of consolidation**

The consolidated financial statements reflect a combination of the First Nation's operating, treaty, enterprise, tangible capital assets, trust and social housing funds.

The Operating Fund reports the general activities of the First Nation administration including various commercial activities.

The Treaty Fund reports the activities of the Treaty negotiating team.

The Enterprise Fund reports the activities of the First Nation's owned entities.

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

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

**(b) Reporting entity and principles of financial reporting**

The Hesquiaht First Nation reporting entity includes all entities which are accountable to the First Nation, and are either owned, directly or indirectly, or controlled by the First Nation.

These consolidated financial statements include the assets, liabilities and results of operations for the following entities:

Hesquiaht First Nation government administration including special and commercial projects

Hesquiaht First Nation Social Housing Program

Hesquiaht First Nation Trust Fund

Hayu Fishing Limited Partnership

Hayu Fishing Ltd.

Hesquiaht Enterprises Ltd.

Ma-mook Natural Resources Ltd.

All inter-entity balances have been eliminated on consolidation.

**(c) Cash**

The First Nation's policy is to present bank balances under cash.

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## HESQUIAHT FIRST NATION

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### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS YEAR ENDED MARCH 31, 2018

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

(continued)

(d) Investments

The investment in Hayu Fishing Limited Partnership, representing a twenty-five percent partnership interest, is accounted for using the modified equity method.

The investment in Hayu Fishing Ltd., representing a twenty-five percent ownership interest, is accounted for using the modified equity method.

The investment in Hesquiaht Enterprises Ltd. is accounted for using the full consolidation method of accounting for long term investments.

The receivable from Ma-mook Natural Resources Ltd. is accounted for at cost. Ma-mook Development Corporation, in which Hesquiaht First Nation has a twenty percent membership, owns the outstanding shares of Ma-mook Natural Resources Ltd.

(e) Inventory

Fuel inventory is held for consumption and is recorded at cost.

(f) Tangible capital assets

Tangible capital assets are stated at cost and are being amortized on the straight-line basis using the following rates:

Buildings and social housing	-	15 - 37 years
Infrastructure	-	20 years
Vehicles	-	7 years
Boats and equipment	-	7 years
Equipment	-	5 years
Computer equipment	-	3 years

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

(g) Revenue recognition

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

Government transfers are recognized in the financial statements as revenue in the period the transfers are authorized and any eligibility criteria have been met, except when and to the extent that the transfer gives rise to an obligation that meets the definition of a liability for the recipient government. Transfers received which meet the definition of a liability are included in deferred revenue.

Deferred revenue consists of funding which is received, externally restricted, and will not be included in revenue until the related expenses are incurred.

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## HESQUIAHT FIRST NATION

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### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS YEAR ENDED MARCH 31, 2018

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

(continued)

(h) Use of estimates

The preparation of financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the amounts of assets and liabilities, disclosure of contingent assets and liabilities and the reported amounts of revenue and expenses. Significant items subject to such estimates and assumptions include valuation of accounts receivable, prepaid expenses, the estimated lives of tangible capital assets and accrued liabilities. Actual results could differ from these estimates.

(i) Liability for contaminated sites

The First Nation recognizes and measures a liability for remediation of contaminated sites where:

- An environmental standard exists;
- Contaminated levels exceed the environmental standards;
- The First Nation is directly responsible or accepts responsibility;
- It is expected that future economic benefits will be given up; and
- A reasonable estimate of the amount can be made.

The liability is based on the present value of the estimated costs directly attributable to the remediation and post-remediation activities.

As at March 31, 2018 and 2017, no contaminated sites have been identified that meet the criteria outlined in the standard.

#### 2. FINANCIAL INSTRUMENTS

The First Nation's financial instruments consist of cash, accounts receivable, receivable from Ma-mook Natural Resources Ltd., investment in Hayu Fishing Limited Partnership, accounts payable and accrued liabilities, deficit in Hayu Fishing Ltd. and long term debt. Unless otherwise noted, it is management's opinion that the First Nation is not exposed to significant interest, currency or credit risks arising from these financial instruments, the fair value of which approximates their carrying value.

The fair market values of the investments in Hayu Fishing Limited Partnership and Hayu Fishing Ltd. have not been determined and accordingly may differ from the recorded values.

Credit risk

The First Nation is subject to normal credit risk associated with accounts receivable.

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## **HESQUIAHT FIRST NATION**

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### **NOTES TO CONSOLIDATED FINANCIAL STATEMENTS YEAR ENDED MARCH 31, 2018**

#### **3. ECONOMIC DEPENDENCE**

The First Nation receives the major portion of its operating revenue pursuant to an agreement referred to as the "Canada/First Nations Funding Agreement" (CFNFA). The agreement is between Nuu-chah-nulth Tribal Council, its member First Nations and Indigenous and Northern Affairs Canada. This agreement covers the period from April 1, 2013 to March 31, 2018.

Nuu-chah-nulth Tribal Council, its member First Nations and Indigenous Services Canada have entered into a new agreement. The agreement covers the period from April 1, 2018 to March 31, 2023. The Nuu-chah-nulth Tribal Council and its member First Nations have also entered into an agreement with First Nations Health Authority for the same period.

#### **4. RESTRICTED CASH**

##### **(a) 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) Replacement Reserve**

Under the terms of the agreement with Canada Mortgage and Housing Corporation (CMHC), the replacement reserve account is to be credited in the amount of \$24,013 annually for Social Housing projects I, II and III. These funds, along with the accumulated interest, must be held in separate bank accounts 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.

The First Nation was not able to comply with the agreement with CMHC for funding the reserve. At year end, \$11,359 was held in a separate bank account included in cash. The remaining \$289,435 was receivable from the First Nation's operating fund.

##### **(c) Subsidy Surplus Reserve - Project I and II**

Under the terms of the agreement with CMHC, 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 into 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, there were no funds in the subsidy surplus reserve for Project I and II.

##### **(d) Surplus - Project III**

Under the terms of the agreement with CMHC, surpluses in the operation of the project can be retained by the Social Housing program until the surplus is required for Project III, without any subsidy recovery by CMHC. If there is a deficit in the operation of Project III, the excess expenditures must be reimbursed to the Social Housing program by the First Nation.

## HESQUIAHT FIRST NATION

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS YEAR ENDED MARCH 31, 2018

#### 5. ACCOUNTS RECEIVABLE

	2018	2017
Nuu-chah-nulth Tribal Council	\$ 206,581	\$ 481,809
Other	66,600	13,622
Rent receivable from First Nation members	57,277	50,054
CMHC - Supplemental subsidy	51,715	-
GST recoverable	24,351	43,220
Ecotrust Canada	13,000	-
Heatherbrae Builders Co. Ltd.	-	64,880
CMHC - On-Reserve Retrofit Initiative	-	35,500
Receivable from First Nation members	-	14,654
CMHC subsidies	-	2,609
	419,524	706,348
Less allowance for doubtful accounts	-	23,488
	\$ 419,524	\$ 682,860

#### 6. INVESTMENT IN HAYU FISHING LIMITED PARTNERSHIP

Hesquiaht First Nation owns a 25% partnership interest in Hayu Fishing Limited Partnership. The following presents condensed financial information as of December 31, 2017 for the partnership:

	2018	2017
Cash	\$ 711,160	\$ 439,989
Marketable securities	27,331	27,163
Accounts receivable	702,057	573,960
Due from partners	5,732	4,262
Prepaid expenses and deposits	-	2,550
Tangible capital assets	75,692	110,411
Intangible assets	1,768,540	1,269,540
	3,290,512	2,427,875
Accounts payable and accrued liabilities	24,926	15,103
Deferred revenue	5,744	29,895
	30,670	44,998
Partners' equity	\$ 3,259,842	\$ 2,382,877
Revenue	\$ 1,155,200	\$ 1,554,910
Expenses	198,237	163,244
Net income	\$ 956,963	\$ 1,391,666

## HESQUIAHT FIRST NATION

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS YEAR ENDED MARCH 31, 2018

#### 7. DEFICIT IN HAYU FISHING LTD.

Hesquiaht First Nation owns a 25% interest in Hayu Fishing Ltd. Hayu Fishing Ltd. is the general partner of Hayu Fishing Limited Partnership. The following presents condensed financial information as of December 31, 2017 for the company:

	2018	2017
Investment	\$ 348	\$ 253
Accounts payable and accrued liabilities	6,731	5,212
Share capital	1	1
	6,732	5,213
Deficit	\$ (6,384)	\$ (4,960)
Revenue	\$ 96	\$ 142
Expenses	1,520	999
Net loss	\$ (1,424)	\$ (857)

#### 8. LONG TERM DEBT

	2018	2017
British Columbia Treaty Commission Treaty Negotiation Loan	\$ 2,222,601	\$ 2,222,601
- Interest free loan until it becomes due and payable at which time interest will be charged at a rate equal to that charged by the Consolidated Revenue Fund to provincial crown corporations		
- Loan proceeds become due and payable upon the earlier of: a) September 2, 2021 (extension from the previous maturity date of the seventeenth (17th) anniversary of the date on which the first loan advance was made); b) The seventh (7th) anniversary of the date of signing of an agreement-in-principle; c) The date on which a treaty is signed by the parties; d) The date on which the agreement is terminated; or e) The date on which Nuu-cha-nulth Tribal Council commits an act of bankruptcy.		

## HESQUIAHT FIRST NATION

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS YEAR ENDED MARCH 31, 2018

#### 8. LONG TERM DEBT (continued)

	2018	2017
All Nations Trust Company		
Phase I Social Housing Loan	41,353	102,312
- Interest at 2.11% compounded semi-annually		
- Renewing November 1, 2018		
- Monthly payments of \$5,210 including principal and interest		
Phase II Social Housing Loan	66,181	76,645
- Interest at 1.92% compounded semi-annually		
- Renewing April 1, 2019		
- Monthly payments of \$987 including principal and interest		
Phase III Social Housing Loan	194,310	209,900
- Interest at 1.92% compounded semi-annually		
- Renewing April 1, 2019		
- Monthly payments of \$1,622 including principal and interest		
Nuu-chah-nulth Economic Development Corporation		
Forgivable Loan #1	25,000	25,000
- Forgivable at a rate of one dollar for each dollar of principal repaid on term loan #2		
Term Loan #2	22,792	-
- Interest at 8% per annum		
- Monthly payments of \$965 including principal and interest starting once loan advanced at full amount of \$60,000		
Bank of Montreal		
Demand Loan	48,683	74,083
- Interest at prime plus 1.5% per annum		
- Monthly payments of \$2,117 including principal and interest		
<b>Total long term debt</b>	<b>\$ 2,620,920</b>	<b>\$ 2,710,541</b>

The Social Housing loans are secured by ministerial guarantees from the Department of Indigenous and Northern Affairs Canada. The term loans are secured by a general security agreement, a promissory note, an assignment of insurance on mortgaged assets (except motor vehicles) and a general assignment of book debt. The demand loan is secured by a general security agreement. Payments on the demand loan are being reimbursed by Ma-mook Natural Resources Ltd.

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## HESQUIAHT FIRST NATION

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### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS YEAR ENDED MARCH 31, 2018

#### 8. LONG TERM DEBT (continued)

Assuming the Social Housing loans are renewed with similar terms, principal reduction over the next five years is approximately as follows:

2019	\$ 101,757
2020	61,146
2021	31,359
2022	2,250,722
2023	28,666

#### 9. PREPAID EXPENSES

	<b>2018</b>	<b>2017</b>
Social assistance	\$ 2,522	\$ 4,912
Prepaid expenses	107,349	50,000
Security deposits	50,600	-
Legal retainer	14,342	-
	<hr/>	<hr/>
	\$ 174,813	\$ 54,912

## HEQUAHT FIRST NATION

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS YEAR ENDED MARCH 31, 2018

#### 10. TANGIBLE CAPITAL ASSETS

	Cost			Accumulated amortization			Balance at end of 2018	Net book value at end of 2018
	Balance at end of 2017	Additions	Disposals	Balance at end of 2018	2017	Disposals	Amortization	
Land	\$ 804,507	\$ -	\$ -	\$ 804,507	\$ -	\$ -	\$ -	\$ 804,507
Social Housing	1,820,850	-	-	1,820,850	1,045,076	-	50,324	1,095,400
Buildings	12,010,089	1,164,659	-	13,174,748	8,108,362	-	687,839	8,796,201
Infrastructure	5,272,654	-	-	5,272,654	4,865,914	-	53,863	4,919,777
Vehicles	-	20,244	-	20,244	-	-	1,446	1,446
Boats and equipment	179,969	29,583	-	209,552	151,082	-	10,146	161,228
Equipment	953,446	128,824	-	1,082,270	839,168	-	57,264	896,432
Work-in-progress	2,503,670	762,354	1,164,659	2,101,365	-	-	-	185,838
Computer equipment	43,229	13,302	-	56,531	40,100	-	3,805	43,905
	\$ 23,588,414	\$ 2,118,966	\$ 1,164,659	\$ 24,542,721	\$ 15,049,702	\$ -	\$ 864,687	\$ 15,914,389
								\$ 8,628,332

	Cost			Accumulated amortization			Balance at end of 2017	Net book value at end of 2017
	Balance at end of 2016	Additions	Disposals	Balance at end of 2017	2016	Disposals	Amortization	
Land	\$ 804,507	\$ -	\$ -	\$ 804,507	\$ -	\$ -	\$ -	\$ 804,507
Social Housing	1,820,850	-	-	1,820,850	994,752	-	50,324	1,045,076
Buildings	11,938,632	71,457	-	12,010,089	7,461,726	-	646,636	8,108,362
Infrastructure	5,272,654	-	-	5,272,654	4,812,052	-	53,862	4,855,914
Boats and equipment	179,969	-	-	179,969	143,049	-	8,033	151,082
Equipment	854,365	99,081	-	953,446	734,358	-	84,810	839,168
Work-in-progress	874,822	1,628,848	-	2,503,670	-	-	-	114,278
Computer equipment	40,990	2,239	-	43,229	38,885	-	1,215	40,100
	\$ 21,786,789	\$ 1,801,625	\$ -	\$ 23,588,414	\$ 14,204,822	\$ -	\$ 844,880	\$ 15,049,702
								\$ 8,538,712

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## **HESQUIAHT FIRST NATION**

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### **NOTES TO CONSOLIDATED FINANCIAL STATEMENTS YEAR ENDED MARCH 31, 2018**

#### **11. RESTRICTED SURPLUS**

A portion of the surplus in financial assets is classified as restricted due to the surplus being committed to specific future expenses or recoverable by the relevant funding agencies. This restricted surplus is set out on page 18 of the consolidated financial statements.

#### **12. CONTINGENT LIABILITIES**

The First Nation is contingently liable with respect to guarantees for Social Housing loans with All Nations Trust Company in the amount of \$301,844.

#### **13. COMMITMENT**

The Province of British Columbia has granted the First Nation a licence to use land for its Microhydro project for a ten-year period, effective January 18, 2018 (commencement date).

Each year, the Province will determine a fee that the First Nation must pay by the anniversary of the commencement date.

#### **14. CONTRACTUAL RIGHT**

The First Nation entered into a three-year Forest and Range Consultation and Revenue Sharing Agreement with the Province of British Columbia on March 22, 2016. Revenue for the next fiscal year to be received from the Province of British Columbia is \$160,910.

#### **15. CORRECTION OF PRIOR PERIOD ERROR**

In 2017, the First Nation did not record the cost of a subcontract on Health Centre seismic upgrades work in the amount of \$134,786.

The 2017 comparative figures were restated to reflect the following changes:

- Increase in tangible capital assets of \$134,786;
- Increase in accounts payable of \$134,786;
- Increase in Investment in Tangible Capital Assets of \$134,786; and
- Decrease in Restricted Equity by \$134,786.

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## HESQUIAHT FIRST NATION

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### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS YEAR ENDED MARCH 31, 2018

#### 16. BUDGET AMOUNTS

Unaudited budget figures have been provided for comparison purposes and have been derived from the estimates provided by the First Nation.

#### 17. EXPENSES BY OBJECT

	<b>2018</b>	<b>2017</b>
Amortization	\$ 864,685	\$ 844,880
Bad debt	4,089	23,488
Bank charges and interest	11,685	18,603
Basic needs	62,945	104,754
Contracted services	817,525	278,788
Fuel	318,743	459,207
Honoraria	80,413	102,652
Insurance	48,838	49,007
Other	241,889	24,443
Professional fees	64,340	252,786
Repairs and maintenance	465,480	264,474
Supplies	150,781	133,739
Telephone	32,909	29,939
Training and workshops	40,091	52,912
Travel	590,942	433,704
Wages and benefits	747,776	678,181
	<hr/> \$ 4,543,131	<hr/> \$ 3,751,557

#### 18. SEGMENTED REPORTING

The First Nation provides a wide variety of services and programs to its members. These services and programs are reported under various funds as disclosed in note 1(a).