

Tseshaht First Nation
Consolidated Financial Statements
March 31, 2018

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Management's Responsibility

To the Members of Tseshah First Nation:

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

Management is responsible for the preparation and presentation of the accompanying consolidated financial statements, including responsibility for significant accounting judgments and estimates in accordance with Canadian public sector accounting standards. This responsibility includes selecting appropriate accounting principles and methods, and making decisions affecting the measurement of transactions in which objective judgment is required.

In discharging its responsibilities for the integrity and fairness of the consolidated financial statements, management designs and maintains the necessary accounting systems and related internal controls to provide reasonable assurance that transactions are authorized, assets are safeguarded and financial records are properly maintained to provide reliable information for the preparation of consolidated financial statements.

The Tseshah First Nation Chief and Council are responsible for overseeing management in the performance of its financial reporting responsibilities, and for approving the consolidated financial statements. The Chief and Council fulfil these responsibilities by reviewing the financial information prepared by management and discussing relevant matters with management and external auditors. The Chief and Council is also responsible for recommending the appointment of the First Nation's external auditors.

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

July 17, 2018

Signed by: Chris Anderson

Director of Finance

Independent Auditors' Report

To the Members of Tseshah First Nation:

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

Management's Responsibility for the Consolidated Financial Statements

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

Auditors' Responsibility

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

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

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

Opinion

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

Nanaimo, British Columbia

July 17, 2018

MNP LLP

Chartered Professional Accountants

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

	2018	2017
Financial assets		
Cash and cash equivalents	2,221,223	2,364,740
Accounts receivable (Note 3)	1,085,797	832,345
Term investments (Note 4)	952,759	767,698
Inventory for resale (Note 5)	203,865	177,960
Restricted cash (Note 6)	1,639,420	1,509,634
Funds held in trust (Note 7)	158,657	154,256
Portfolio investments (Note 8)	25,000	25,000
Investment in First Nation business enterprises (Note 8)	6,678,498	5,024,206
Investment in First Nation business partnerships (Note 8)	103,925	51,291
Total financial assets	13,069,144	10,907,130
Financial liabilities		
Accounts payable	1,156,008	1,063,741
Deferred revenue (Note 9)	536,890	358,065
Demand loan (Note 10)	-	275
Long-term debt (Note 11), (Note 12)	11,668,028	11,938,444
Total of financial liabilities	13,360,926	13,360,525
Net debt	(291,782)	(2,453,395)
Contingencies (Note 13)		
Non-financial assets		
Tangible capital assets (Schedule 1)	20,048,592	20,110,382
Prepaid expenses	63,011	32,925
Total non-financial assets	20,111,603	20,143,307
Accumulated surplus (Note 14)	19,819,821	17,689,912

Approved on behalf of the Chief and Council

Signed by: Cynthia Dick

**Chief
Councillor**

Signed by: Hugh Braker

Councillor

Tseshaht First Nation
Consolidated Statement of Operations and Accumulated Surplus
For the year ended March 31, 2018

	<i>Schedules</i>	2018 Budget (Note 18)	2018	2017
Revenue				
Sales		55,000	9,504,881	8,540,965
Nuu-chah-nulth Tribal Council - CFNFA		3,540,609	3,869,168	3,764,630
Earnings from investment in First Nation business enterprises (Note 8)		-	1,847,882	843,657
Government of Canada		330,184	1,474,201	154,295
Nuu-chah-nulth Tribal Council - non CFNFA		458,795	686,206	1,067,302
Rental income		99,600	511,380	548,337
Canada Mortgage and Housing Corporation		-	451,697	179,883
Province of B.C.		146,000	196,644	159,147
Fees		39,000	179,047	190,490
Fish license fees		192,000	156,588	252,807
First Nations Health Authority		116,333	141,468	119,488
Other revenue		66,500	141,886	171,938
Nuu-chah-nulth Employment & Training Board		52,000	91,229	56,336
Earnings (loss) from investment in First Nation business partnerships (Note 8)		-	83,775	(47,343)
First Nation Education Steering Committee		-	63,670	16,430
Lease income		5,600	57,200	57,200
Interest income		350,352	51,949	41,802
Administration recoveries		-	48,570	56,251
Nuu-chah-nulth Economic Development Corporation		-	5,898	19,311
Other grants		4,000	4,400	29,000
BC Special		-	2,737	2,707
		5,455,973	19,570,476	16,224,633
Expenses (Schedule 2)				
Operating	3	5,455,973	6,246,834	6,184,042
Trust	4	-	8,000	9,500
Social Housing	5	-	713,705	623,896
Enterprise	6	-	10,389,126	8,227,447
Treaty	7	-	82,902	65,949
		5,455,973	17,440,567	15,110,834
Annual surplus		-	2,129,909	1,113,799
Accumulated surplus, beginning of year		17,689,913	17,689,912	16,576,113
Accumulated surplus, end of year (Note 14)		17,689,913	19,819,821	17,689,912

The accompanying notes are an integral part of these financial statements

Tseshahat First Nation
Consolidated Statement of Change in Net Debt
For the year ended March 31, 2018

	2018 Budget (Note 18)	2018	2017
Annual surplus	-	2,129,909	1,113,799
Purchases of tangible capital assets	-	(1,483,265)	(827,005)
Amortization of tangible capital assets	-	1,393,896	1,628,225
Transfer of work in progress tangible capital assets	-	151,158	-
	-	61,789	801,220
Acquisition of prepaid expenses	-	(63,010)	(32,924)
Use of prepaid expenses	-	32,925	34,586
	-	(30,085)	1,662
Decrease in net debt	-	2,161,613	1,916,681
Net debt, beginning of year	(2,453,395)	(2,453,395)	(4,370,076)
Net debt, end of year	(2,453,395)	(291,782)	(2,453,395)

Tseshaht First Nation
Consolidated Statement of Cash Flows
For the year ended March 31, 2018

	2018	2017
Cash provided by (used for) the following activities		
Operating activities		
Annual surplus	2,129,909	1,113,799
Non-cash items		
Amortization	1,393,896	1,628,225
Bad debts	16,684	55,998
Earnings (loss) from investment in First Nation business partnerships	(83,775)	47,343
Earnings from investment in First Nation business enterprises	(1,847,882)	(843,657)
Tseshaht Economic Development Corporation consolidation	(217,708)	-
Impairment of capital assets (Note 8)	1,224,524	-
	2,615,648	2,001,708
Changes in working capital accounts		
Accounts receivable	(253,452)	(252,054)
Prepaid expenses	(30,086)	1,661
Inventory for resale	(25,906)	(39,979)
Funds held in trust	(4,252)	-
Accounts payable and accruals	79,165	107,444
Deferred revenue	178,824	(16,942)
	2,559,941	1,801,838
Financing activities		
Advances of long-term debt	697,738	677,929
Repayment of long-term debt	(968,154)	(1,212,304)
Advances (repayments) of demand loan	(275)	275
	(270,691)	(534,100)
Capital activities		
Purchases of tangible capital assets	(1,483,265)	(827,005)
Investing activities		
Purchase of term investments	(185,061)	(22,695)
Purchase of trust term investments	(410,000)	-
Proceeds of disposal of term investments	-	405,400
Increase in restricted cash	(129,786)	(125,947)
Increase in funds held in trust	(150)	(5,596)
Advances from related parties	(224,505)	-
Withdrawal from First Nation business enterprises	-	318,000
Decrease in portfolio investments	-	(20,000)
	(949,502)	549,162
Increase (decrease) in cash and cash equivalents	(143,517)	989,895
Cash and cash equivalents, beginning of year	2,364,740	1,374,845
Cash and cash equivalents, end of year	2,221,223	2,364,740

The accompanying notes are an integral part of these financial statements

1. Operations

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

2. Significant accounting policies

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

Reporting entity consolidated

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

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

- Tseshaht Market (Wholly owned)
- Tseshaht Somass Society (Wholly owned)
- Tseshaht Development Society (Wholly owned)
- Tseshaht Economic Development Corporation
- Social Housing

All inter-entity balances have been eliminated on consolidation; however, transactions between departments have not been eliminated in order to present the results of operations for each specific department.

Tseshaht First Nation business enterprises, owned or controlled by the First Nation's Chief and Council but not dependent on the First Nation for their continuing operations, are included in the consolidated financial statements using the modified equity method.

First Nation business partnerships, jointly owned and controlled by the First Nation's Chief and Council are not dependent on the First Nation for their continuing operations, are included in the consolidated financial statements using the modified equity method.

Under the modified equity method, the equity method of accounting is modified only to the extent that the business entity accounting principles are not adjusted to conform to those of the First Nation. Thus, the First Nation's investment in these entities is recorded at acquisition cost and is increased for the proportionate share of post acquisition earnings and decreased by post acquisition losses and distributions received. Entities accounted for by the modified equity basis include:

- Tseshaht Forestry Corporation (Wholly owned)
- Omoah Forestry LLP and its General Partner, Omoah Forestry Corporation (Wholly owned)
- Cisa Forestry LLP, and its General Partner, Cisa Forestry Corporation (Wholly owned)
- Ekoolthaht Marine LLP, and its General Partner, Ekoolthaht Marine Corporation (Wholly owned)
- Tseshaht Fisheries Corporation (Wholly owned)
- Equis Forest Products Ltd. (51% ownership)
- 1054423 Fisheries Limited Partnership and its General Partner, 10554233 B.C. Ltd. (50% ownership)

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

Cash and cash equivalents

Cash and cash equivalent include balances with banks and short-term investments with maturities of three months or less. Cash subject to restrictions that prevent its use for current purposes is included in restricted cash.

Tangible capital assets

Tangible capital assets exceeding \$1,000 are initially recorded at cost less accumulated amortization. Contributed tangible assets are recorded at their fair value at the date of contribution.

Amortization

Amortization for tangible capital assets is provided using the following methods at rates intended to amortize the cost of the assets over their estimated useful lives. In the year of acquisition, amortization is taken at one-half of the rates. See below for amortization rates of specific asset categories.

All intangible assets and items inherited by the right of the First Nation, such as reserve land, forests, water and mineral resources, are not recognized in the First Nation's consolidated financial statements. Thunderbird poles have an unlimited useful life, and are therefore no longer depreciated.

	<i>Method</i>	<i>Years/Rate</i>
Automotive equipment	straight-line	5 years
Boat	straight-line	10 years
Community buildings	straight-line	20 years
Computer equipment	straight-line	3 years
Dock and gazebo	straight-line	10 years
Housing	straight-line	20 years
Infrastructure	straight-line	20 years
Office equipment	straight-line	5 years
Other equipment	straight-line	5 years
Paving	straight-line	10 years
Shellfish licenses	straight-line	20 years
Social Housing	straight-line	30 years

Basis of presentation

Sources of revenue and expenses are recorded on the accrual basis of accounting. The accrual basis of accounting recognizes revenue as it becomes available and measurable; expenses are recognized as they are incurred and measurable as a result of the receipt of goods or services and the creation of a legal obligation to pay.

Long-lived assets

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

The First Nation performs impairment testing on long-lived assets held for use whenever events or changes in circumstances indicate that the carrying amount of an asset, or group of assets, may not be recoverable. The carrying amount of a long-lived asset is not recoverable if the carrying amount exceeds the sum of the undiscounted future cash flows from its use and disposal. Impairment is measured as the amount by which the asset's carrying amount exceeds its fair value. Fair value is measured using prices for similar items. Any impairment is included in operations for the year.

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

Asset classification

Assets are classified as either financial or non-financial. Financial assets are assets that could be used to discharge existing liabilities or finance future operations. Non-financial assets are acquired, constructed or developed assets that do not normally provide resources to discharge existing liabilities but are employed to deliver government services, may be consumed in normal operations and are not for resale in the normal course of operations. Non-financial assets include tangible capital assets and prepaid expenses.

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

Net debt

The First Nation's consolidated 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 financial assets less its liabilities. Net debt combined with non-financial assets comprise a second indicator of financial position, accumulated surplus.

Liability for contaminated site

A liability for remediation of a contaminated site is recognized at the best estimate of the amount required to remediate the contaminated site when contamination exceeding an environmental standard exists, the First Nation is either directly responsible or accepts responsibility, it is expected that future economic benefits will be given up, and a reasonable estimate of the amount is determinable. The best estimate of the liability includes all costs directly attributable to remediation activities and is reduced by expected net recoveries based on information available at March 31, 2018.

At each financial reporting date, the First Nation reviews the carrying amount of the liability. Any revisions required to the amount previously recognized are accounted for in the period revisions are made. The First Nation continues to recognize the liability until it is settled or otherwise extinguished. Disbursements made to settle the liability are deducted from the reported liability when they are made.

Funds held in trust

Funds held in trust on behalf of First Nation members by the Government of Canada in the Ottawa Trust Fund are reported on the consolidated statement of financial position with an offsetting amount in accumulated surplus. Trust moneys consist of:

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

Revenue recognition

Non-government Funding

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

Government Transfers

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 a liability. In such circumstances, the First Nation recognizes revenue as the liability is settled. Transfers of non-depreciable assets are recognized in revenue when received or receivable.

Funds held in trust

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

Sales

Revenue from the sale of goods is recognized when the significant risks and rewards of ownership of the goods have been transferred to the buyer and collection is reasonably assured.

Other Revenue

Other revenue is recognized when it is probable that the economic benefits associated with a transaction will flow to the First Nation and when the amount of revenue can be reliably measured and collectibility is reasonably assured. Revenue is measured at the fair value of the consideration received or receivable.

Tseshaht First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2018

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

Measurement uncertainty

The preparation of consolidated financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenue and expenses during the reporting period.

Accounts receivable are stated after evaluation as to their collectability and an appropriate allowance for doubtful accounts is provided where considered necessary. Amortization is based on the estimated useful lives of tangible capital assets.

Inventories are valued at lower of cost and net realizable value using the first in, first out costing method. Net realizable value is the estimated selling price in the ordinary course of business, less estimated selling costs.

Expenditures that relate to on-going environmental and remediation programs are charged against operations as incurred. A liability for a contaminated site reflects management's best estimate of the amount required to remediate the contaminated site. The best estimate of the liability is based upon assumptions and estimates related to the amount and timing of costs for future site remediation.

Changes to the underlying assumptions and estimates or legislative changes in the near term could have a material impact on the provision recognized.

These estimates are reviewed periodically and, as adjustments become necessary, they are reported in operations in the periods in which they become known.

Segments

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

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

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

3. Accounts receivable

	2018	2017
Nuu-chah-nulth Tribal Council	82,708	395,001
Canadian Mortgage and Housing Corporation (CMHC)	137,332	46,305
Other government agencies	9,026	35,509
Pacific Integrated Commercial Fisheries Initiative	219,956	65,000
Rent receivables	195,637	16,523
Province of British Columbia	43,787	31,085
Goods and service tax receivable (payable)	45,294	(9,912)
Other receivables	352,057	252,834
	1,085,797	832,345

Tseshaht First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2018

4. Term investments

	2018	2017
Internally restricted		
Guaranteed Investment Certificate (GIC) maturing August 23, 2021, bearing interest as follows: Year 1 - 1.00%, Year 2 - 1.10%, Year 3 - 1.30%, Year 4 - 1.60%, Year 5 - 1.75% (a reserve fund established by the Board of Directors of Tseshaht Market for future fuel system upgrades and expansion)	285,788	285,788
Term deposits		
GIC maturing August 23, 2019, bearing interest as follows: Year 1 - 0.75%, Year 2 - 0.80%, Year 3 - 0.85%	181,910	181,910
GIC maturing June 15, 2020, bearing interest as follows: Year 1 - 1.10%, Year 2 - 1.15%, Year 3 - 1.20%, Year 4 - 1.40% and Year 5 - 1.60%	100,000	100,000
GIC maturing June 15, 2020, bearing interest as follows: Year 1 - 1.10%, Year 2 - 1.15%, Year 3 - 1.20%, Year 4 - 1.40% and Year 5 - 1.60%	200,000	200,000
Tseshaht Economic Development Corporation - GIC maturing November 27, 2019, bearing interest as follows: Year 1 - 1.6%, Year 2 - 1.85%	185,061	-
	952,759	767,698

5. Inventory for resale

	2018	2017
Tseshaht Market	203,865	177,960

Tseshaht First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2018

6. Restricted cash

	2018	2017
Social Housing Replacement Reserve	431,709	379,799
Social Housing Operating Reserve	229,070	171,082
Trust cash	11,253	419,172
Trust investments	967,388	539,581
	1,639,420	1,509,634

Social Housing Reserves

Under the terms of the agreement with Canada Mortgage and Housing Corporation, the replacement reserve account is to be credited in the amount of \$69,400 (2017 - \$62,888) 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, this reserve was adequately funded (2017 - adequately funded).

Under the terms of the agreement with Canada Mortgage and Housing Corporation, excess revenues over expenditures for the Post 1996 phases may be retained in an operating reserve. These funds along with accumulated interest, must be held in a separate bank account and/or invested only in accounts or instruments insured by the Canada Deposit Insurance Corporation or as may otherwise be approved by CMHC from time to time. At year end, the operating reserve was adequately funded (2017 - adequately funded).

Trust

The purpose of the Tseshaht Trust is to hold and protect a past specific claim settlement intended for its beneficiary, the First Nation. As at March 31, 2018, the fair market value of the investments held in Trust is \$963,420 (2017 - \$957,413).

7. Funds held in trust

Capital and revenue trust funds are transferred to the First Nation on the authorization of the Minister of Indigenous and Northern Affairs Canada, with the consent of the First Nation's Council. Other trust funds are to be used with consent of the First Nation's Council.

	2018	2017
Capital Trust		
Balance, beginning and end of year	78,605	78,605
Revenue Trust		
Balance, beginning of year	75,651	70,057
Interest	1,664	2,887
British Columbia special distribution	2,737	2,707
Balance, end of year	80,052	75,651
	158,657	154,256

The Ottawa Trust accounts arise from monies derived from capital or revenue sources as outlined in Section 62 of the Indian Act. These funds are held in trust in the Consolidated Revenue Fund of the Government of Canada and are subject to audit by the Office of the Auditor General of Canada. The management of these funds is primarily governed by Sections 63 to 69 of the *Indian Act*.

Tseshahat First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2018

8. Long-term investments

The First Nation uses the investees year-end financial statements to account for its investment in these investees. Equis Forest Products Ltd. has an October 31, 2017 year-end and the remainder of the investees have a December 31, 2017 year-end.

There were no significant transactions between the year-end dates of the investees and March 31, 2018.

During the year, it was determined that Alberni Ice LP, a First Nation business Partnership, will soon be disposed. Its investment value has been written down by \$31,291 (2017 - nil) and is included in the First Nation business Partnership section below, but its summary of financial information has been excluded.

During the year, it was determined that Tseshahat Economic Development Corporation ("TEDC") no longer met the definition of a First Nation Business enterprise. This was due to the fact that TEDC was no longer able to maintain its operations and meet its liabilities from revenues received in the normal course of its operations. This change resulted in the assets, liabilities, revenues and expenses being consolidated into these financial statements for the 2018 fiscal year. In addition, management determined that the micro hydro project was unlikely to proceed, which resulted in recognizing all deferred revenue in the amount of \$1,147,840 and expensing all capitalized costs to date of \$1,224,524, for a net decrease in annual surplus of \$76,684.

	<i>Investment cost</i>	<i>Loans / advances</i>	<i>Share of earnings (loss)</i>	<i>Other adjustments</i>	<i>2018 Total investment</i>
Portfolio Investments:					
Coast Forest Management Ltd. - 30%	25,000	-	-	-	25,000
First Nation Business Enterprises:					
Tseshahat Fisheries Corporation - 100%	1	1,787	(1,770)	(9)	9
Tseshahat Economic Development Corporation - 100%	(11,851)	-	-	11,851	-
Tseshahat Forestry Corporation - 100%	(466,014)	986,380	15,145	-	535,511
Equis Forest Products Ltd. - 51%	72,194	4,463	(24,560)	-	52,097
Omoah Forestry LLP - 99%	1,358,043	1,999,932	(108,340)	-	3,249,635
Cisaa Forestry LLP - 99%	1,450,571	(567,733)	1,958,236	-	2,841,074
Ekoolthaht Marine LLP - 99%	(8,999)	-	9,171	-	172
	2,393,945	2,424,829	1,847,882	11,842	6,678,498
First Nation Business Partnerships:					
Alberni Ice LP - 50%	31,291	-	-	(31,291)	-
1055423 Fisheries LP - 50%	20,000	(10)	83,949	10	103,949
1055423 B.C. Ltd. - 50%	-	-	(174)	150	(24)
	51,291	(10)	83,775	(31,131)	103,925
	2,470,236	2,424,819	1,931,657	(19,289)	6,807,423

Tseshahat First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2018

8. Long-term investments *(Continued from previous page)*

	<i>Investment cost</i>	<i>Loans / advances</i>	<i>Share of earnings (loss)</i>	<i>Other adjustments</i>	<i>2017 Total investment</i>
Portfolio Investment					
Coast Forest Management Ltd. - 30%	25,000	-	-	-	25,000
First Nation Business Enterprises:					
Tseshahat Fisheries Corporation - 100%	1	1,778	-	-	1,779
Tseshahat Economic Development Corporation - 100%	(4,834)	305,043	(7,017)	-	293,192
Tseshahat Forestry Corporation - 100%	(492,357)	958,534	26,343	-	492,520
Equis Forest Products Ltd - 51%	98,187	8,608	(25,993)	-	80,802
Omoah Forestry LLP - 99%	777,863	1,991,552	739,180	(159,000)	3,349,595
Cisaa Forestry LLP - 99%	1,497,881	(618,367)	111,690	(159,000)	832,204
Ekoolthaht Marine LLP - 99%	(8,453)	(16,887)	(546)	-	(25,886)
	1,868,288	2,630,261	843,657	(318,000)	5,024,206
First Nation Business Partnerships:					
Alberni Ice LP - 50%	78,634	-	(47,343)	-	31,291
1054423 Fisheries LP - 50%	20,000	-	-	-	20,000
	98,634	-	(47,343)	-	51,291
	1,991,922	2,630,261	796,314	(318,000)	5,100,497

Tseshaht First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2018

8. Long-term investments *(Continued from previous page)*

Summary financial information for each First Nation business enterprise and partnership, accounted for using the modified equity method, for their respective year-end is as follows:

	Tseshaht Forestry Corporation As at December 31, 2017	Omoah Forestry LLP As at December 31, 2017
Assets		
Cash	62,413	877,579
Forestry contracts	-	2,100,000
Accounts receivable	42,669	-
Prepaid expenses	1,773	-
Property, plant and equipment	64,244	-
Other	-	467,054
Due from related parties	334,282	11,970
Total assets	505,381	3,456,603
Liabilities		
Silviculture liabilities	-	-
Accounts payable	-	-
Deferred revenue	-	-
Due to related parties	891,826	2,133,542
Other	64,423	71,948
Total liabilities	956,249	2,205,490
Retained earnings	(450,868)	1,251,113
Total revenue	277,571	25,424
Total expenses	262,426	133,872
Net income (loss)	15,145	(108,448)
Comprehensive income (loss)	15,145	(108,448)

Tseshaht First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2018

8. Long-term investments (Continued from previous page)

	<i>Cisaa Forestry LLP As at December 31, 2017</i>	<i>Ekoolthaht Marine LLP As at December 31, 2017</i>	<i>Tseshaht Fisheries Corporation As at December 31, 2017</i>	<i>Equis Forest Products Ltd. As at October 31, 2017</i>
Assets				
Cash	3,100,044	48,501	-	144,328
Forestry contracts	-	-	-	-
Accounts receivable	-	-	-	-
Prepaid expenses	-	-	-	-
Property, plant and equipment	177,930	-	-	-
Other	299,001	16,323	-	14,375
Due from related parties	593,838	-	-	-
Total assets	4,170,813	64,824	-	158,703
Liabilities				
Silviculture liabilities	169,995	-	-	106,482
Accounts payable	-	-	-	-
Deferred revenue	-	-	-	-
Due to related parties	181,092	63,152	(1,778)	-
Other	407,347	1,500	-	1,501
Total liabilities	758,434	64,652	(1,778)	107,983
Retained earnings	3,412,379	172	1,778	50,720
Total revenue	4,184,648	43,177	-	-
Total expenses	2,224,451	34,266	-	48,156
Net income (loss)	1,960,197	8,911	-	(48,156)
Comprehensive income (loss)	1,960,197	8,911	-	(48,156)

Tseshaht First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2018

8. Long-term investments *(Continued from previous page)*

	1055423 B.C. Ltd. - 50% As at December 31, 2017	1055423 Fisheries LP - 50% As at December 31, 2017
Assets		
Cash	300	45,094
Forestry contracts	-	-
Accounts receivable	-	-
Prepaid expenses	-	-
Property, plant and equipment	-	451,940
Other	3	-
Due from related parties	-	127,791
Total assets	303	624,825
Liabilities		
Silviculture liabilities	-	-
Accounts payable	1,000	2,500
Deferred revenue	-	374,400
Due to related parties	651	127,791
Other	-	-
Total liabilities	1,651	504,691
Retained earnings	(1,348)	120,134
Total revenue	150	178,643
Total expenses	800	28,850
Net income (loss)	(650)	149,793
Comprehensive income (loss)	(650)	149,793

9. Deferred revenue

The following table represents changes in the deferred revenue balance attributable to each major category of external restrictions:

	<i>Balance, beginning of year</i>	<i>Contributions received</i>	<i>Contributions recognized</i>	<i>Balance, end of year</i>
Deferred revenue	68,981	125,000	15,885	178,096
Rent deposits	20,115	9,200	-	29,315
Grants for acquiring tangible capital assets - Tseshaht Market	268,969	80,592	20,082	329,479
	358,065	214,792	35,967	536,890

10. Demand loan

As at March 31, 2018, the First Nation had available a revolving demand facility with a credit limit of \$737,500, bearing interest at prime plus 1.25%, of which nil (2017 - \$275) was outstanding at year-end. This credit facility is secured by a general security agreement.

Tseshah First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2018

11. Long-term debt

	2018	2017
CMHC Phase 1 - All Nations Trust		
- Interest at 2.04% per annum		
- Monthly blended payments of \$15,771		
- Maturity date of January 2034; due March 2019		
- Secured by a guarantee of the First Nation and the Government of Canada	2,560,534	2,696,259
CMHC Phase 2 - All Nations Trust		
- Interest at 0.96% per annum		
- Monthly blended payments of \$7,131		
- Maturity date of September 2036; due September 2021		
- Secured by a guarantee of the First Nation and The Government of Canada	1,450,034	1,521,336
CMHC Phase 3 - All Nations Trust		
- Interest at 1.67% per annum		
- Monthly blended payments of \$1,575		
- Maturity date of June 2038; due June 2018		
- Secured by a guarantee of the First Nation and the Government of Canada	324,729	338,104
CMHC Phase 4 - All Nations Trust		
- Interest at 1.83% per annum		
- Monthly blended payments of \$2,492		
- Maturity date of December 2039; due December 2019		
- Secured by a guarantee of the First Nation and the Government of Canada	536,524	556,446
CMHC Phase 5 - All Nations Trust		
- Interest at 1.46% per annum		
- Monthly blended payments of \$2,604		
- Maturity date of March 2042; due March 2022		
- Secured by a guarantee of the First Nation and the Government of Canada	632,615	607,612
CMHC Phase 6 - All Nations Trust		
- Interest at 1.97% per annum		
- Monthly blended payments of \$2,860		
- Maturity date of October 2042; due December 2022		
- Secured by a guarantee of the First Nation and the Government of Canada	672,736	-
Bank of Montreal - demand loan		
- Interest at bank prime plus 1.25% per annum		
- Monthly payments of \$14,167, plus interest		
- Secured by a promissory note and a charge against specific assets with a net book value of \$6,544,817 (2017 - \$6,775,391)	2,167,500	2,337,500
Nuu-chah-nulth Economic Development Corporation ("NEDC") Loan #2012012C		
- Interest at 12.00% per annum		
- Monthly blended payments of \$561		
- Maturity date of June 2022		
- Secured by a promissory note	6,954	16,232
Nuu-chah-nulth Economic Development Corporation ("NEDC") Loan #2012012CF		
- Repaid during the year	-	1,990
Nuu-chah-nulth Economic Development Corporation ("NEDC") Loan #2012013C		
- Repaid during the year	-	16,379
Nuu-chah-nulth Economic Development Corporation ("NEDC") Loan #20115011N		
- Repaid during the year	-	6,663

Tseshah First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2018

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

Nuu-chah-nulth Tribal Council ("NTC") Treaty Loan		
- See Note 12 for details	2,810,604	2,810,604
Market Nuu-chah-nulth Economic Development Corporation ("NEDC") Loan #2011004N		
- Interest at 6.00% per annum		
- Monthly blended payments of \$10,642		
- Maturity date of January 2027		
- Secured by a promissory note	386,196	962,518
Market Nuu-chah-nulth Economic Development Corporation ("NEDC") Loan #2016025N		
- Interest at 6.45% per annum		
- Monthly blended payments of \$1,105		
- Maturity date of November 1, 2021		
- Secured by a promissory note	49,694	-
Market Nuu-chah-nulth Economic Development Corporation ("NEDC") Loan #2016025NF		
- Bearing no interest		
- Forgivable at a rate of \$1 for every \$1 in principle repaid on NEDC loan #2016025N	17,170	-
Ford Credit Financing		
- 0% interest		
- Monthly payments of \$1,172		
- Maturity date of December 2021	52,738	66,801
	11,668,028	11,938,444

Principal repayments on long-term debt in each of the next five years, assuming long-term debt subject to refinancing is renewed, are estimated as follows:

	Principal
2019	613,574
2020	615,886
2021	615,890
2022	540,625
2023	486,690

12. Treaty loan

The First Nation has received funds from Nuu-chah-nulth Tribal Council ("NTC") pursuant to an agreement the NTC had negotiated on its behalf with Indigenous Services Canada ("ISC") and the British Columbia Treaty Commission. Under the terms of that agreement, the NTC received both loaned and contributed funds, which it subsequently reloaned and contributed to the First Nation. The funds are to be used solely for the purpose of treaty negotiations. Repayment provisions for this loan are outlined in the First Nation Negotiation Support Agreement between ISC, NTC and the First Nation. The loan is non-interest bearing and repayment is to commence on September 2, 2021.

13. Contingencies

- (a) The First Nation has entered into an agreement to guarantee mortgages of Members' residences on reserve to a limit of \$3,000,000. The total amount of outstanding guarantees as at March 31, 2018 is \$1,516,835 (2017 - \$1,413,972). These loan guarantees are in addition to CMHC mortgages.
- (b) The First Nation has received funding from CMHC to provide major renovations to the homes of certain of its members. This funding becomes repayable in the event that the member does not remain in the house for a period of five years.
- (c) The First Nation is contingently liable for guarantees of mortgages of Members' residences situated on reserve. The total amount of such mortgages at March 31, 2018 is \$148,219 (2017 - \$175,196). These loan guarantees are in addition to CMHC On-Reserve Non-Profit Housing Program Mortgages.
- (d) The First Nation is liable for the costs of future removal of fuel storage tanks and site restoration at the Tseshah Market. These costs cannot be reasonably estimated at this time.

Tseshahat First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2018

14. Accumulated surplus

Accumulated annual surplus is comprised of the following:

	2018	2017
Equity in Funds held in trust	1,133,046	1,113,009
Equity in Operating Fund - operations	2,913,566	2,753,585
Equity in Operating Fund - tangible capital assets	11,191,169	10,982,544
Equity in Social Housing Fund	660,779	550,881
Equity in Enterprise Fund	6,731,865	5,100,497
Deficit in Treaty Fund	(2,810,604)	(2,810,604)
	19,819,821	17,689,912

15. Related party transactions

During the year the First Nation charged management fees to the following business enterprises:

	2018	2017
Tseshahat Forestry Corporation	20,026	19,849
Cisaa Forestry LLP	32,437	32,171
Cisaa Forestry Corporation	1,427	1,542
Omoah Forestry LLP	32,437	32,171
Omoah Forestry Corporation	1,427	1,542
Ekoolthaht Marine LLP	2,951	2,688
Ekoolthaht Marine Corporation	1,302	1,294
Equis Forest Products Ltd.	16,220	16,085
	108,227	107,342

The above transactions were conducted in the normal course of operations and measured at the exchange amount, which is the amount of consideration established and agreed to by the Nation and the related parties.

16. Segments

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

Operating

Includes general operations, support and financial management of the First Nation. Additionally, it includes activities related to education, health and community infrastructure.

Trust

Includes activities related to funds held in trust and a specific claim trust.

Social Housing

Includes revenue and expenses relating to the social housing of the members of Tseshahat First Nation.

Enterprise

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

Treaty

Includes activities related to the treaty negotiation with the Federal government.

17. Economic dependence

Tseshah First Nation receives a significant portion of its revenue from Indigenous and Northern Affairs Canada, ("INAC") via Nuu-chah-nulth Tribal Council ("NTC") as a result of funding agreements entered into with the Government of Canada. These funding agreements are administered by INAC under the terms and conditions of the *Indian Act*. The ability of the First Nation to continue operations is dependent upon the Government of Canada's continued financial commitments as guaranteed by these agreements.

18. Budget information

Budgets were not prepared for all segments and all departments in 2018. As such, the budget figures in the Consolidated Statement of Operations and Accumulated Surplus are not presented for the same scope of activities as the actual results.

The disclosed budget information has been approved by the Chief and Council of the Tseshah First Nation at the Tseshah Community Budget Meeting held on April 25, 2017.

Chief and Council has not budgeted for the following segments:

- Trust
- Social Housing
- Enterprise
- Treaty

19. Comparative figures

Certain comparative figures have been reclassified to conform with current year's presentation.

Tseshaht First Nation
Schedule 1 - Consolidated Schedule of Tangible Capital Assets
For the year ended March 31, 2018

	<i>Automotive equipment</i>	<i>Boat</i>	<i>Community buildings</i>	<i>Computer equipment</i>	<i>Dock and gazebo</i>	<i>Housing</i>	<i>Subtotal</i>
Cost							
Balance, beginning of year	285,585	170,035	18,984,404	156,177	419,658	2,183,659	22,199,518
Acquisition of tangible capital assets	-	107,018	236,017	2,425	-	-	345,460
Construction-in-progress	-	-	-	-	-	-	-
Transfer of finished construction-in-progress	-	-	-	-	-	-	-
Balance, end of year	285,585	277,053	19,220,421	158,602	419,658	2,183,659	22,544,978
Accumulated amortization							
Balance, beginning of year	160,648	86,234	12,415,599	149,982	146,907	2,136,035	15,095,405
Annual amortization	30,790	22,356	556,466	5,129	41,965	47,624	704,330
Balance, end of year	191,438	108,590	12,972,065	155,111	188,872	2,183,659	15,799,735
Net book value of tangible capital assets	94,147	168,463	6,248,356	3,491	230,786	-	6,745,243
2017 Net book value of tangible capital assets	124,938	83,801	6,568,805	6,195	272,751	47,624	7,104,114

Tseshaht First Nation
Schedule 1 - Consolidated Schedule of Tangible Capital Assets

For the year ended March 31, 2018

	<i>Subtotal</i>	<i>Infrastructure</i>	<i>Land</i>	<i>Office equipment</i>	<i>Other equipment</i>	<i>Paving</i>	<i>Subtotal</i>
Cost							
Balance, beginning of year	22,199,518	8,588,723	2,042,260	157,835	1,759,846	77,797	34,825,979
Acquisition of tangible capital assets	345,460	445,491	-	5,686	24,455	-	821,092
Construction-in-progress	-	-	-	-	-	-	-
Transfer of finished construction-in-progress	-	-	-	-	-	-	-
Balance, end of year	22,544,978	9,034,214	2,042,260	163,521	1,784,301	77,797	35,647,071
Accumulated amortization							
Balance, beginning of year	15,095,405	4,752,316	-	146,722	1,435,323	21,940	21,451,706
Annual amortization	704,330	352,160	-	3,802	43,795	5,880	1,109,967
Balance, end of year	15,799,735	5,104,476	-	150,524	1,479,118	27,820	22,561,673
Net book value of tangible capital assets	6,745,243	3,929,738	2,042,260	12,997	305,183	49,977	13,085,398
2017 Net book value of tangible capital assets	7,104,114	3,836,407	2,042,260	11,113	324,523	55,857	13,374,274

Tseshaht First Nation
Schedule 1 - Consolidated Schedule of Tangible Capital Assets
For the year ended March 31, 2018

	<i>Subtotal</i>	<i>Shellfish licenses</i>	<i>Social housing</i>	<i>Thunderbird poles</i>	<i>2018</i>	<i>2017</i>
Cost						
Balance, beginning of year	34,825,979	10,914	8,321,535	44,035	43,202,463	42,375,458
Acquisition of tangible capital assets	821,092	-	662,173	-	1,483,265	1,244,599
Construction-in-progress	-	-	-	-	-	124,659
Transfer of finished construction-in-progress	-	-	(151,159)	-	(151,159)	(542,253)
Balance, end of year	35,647,071	10,914	8,832,549	44,035	44,534,569	43,202,463
Accumulated amortization						
Balance, beginning of year	21,451,706	8,189	1,617,187	14,999	23,092,081	21,463,856
Annual amortization	1,109,967	546	283,383	-	1,393,896	1,628,225
Balance, end of year	22,561,673	8,735	1,900,570	14,999	24,485,977	23,092,081
Net book value of tangible capital assets	13,085,398	2,179	6,931,979	29,036	20,048,592	20,110,382
2017 Net book value of tangible capital assets	13,374,274	2,725	6,704,347	29,036	20,110,382	

Tseshah First Nation
Schedule 2 - Schedule of Consolidated Expenses by Object
For the year ended March 31, 2018

	2018 Budget (Note 18)	2018	2017
Consolidated expenses by object			
Administration fees	-	38,642	35,403
Advertising	18,500	43,865	43,197
Amortization	-	1,393,896	1,628,225
Bad debts	-	16,684	55,998
Cultural promotion	5,000	979	672
Custom election code	-	6,647	19,521
Fire protection	49,350	72,956	71,124
Food fish expense	18,500	49,422	16,539
Honoraria	223,750	148,794	154,444
Housing grants	86,305	35,450	-
Infrastructure	423,300	-	21,098
Insurance, licenses and dues	75,680	146,699	139,806
Interest and bank charges	8,000	85,976	77,366
Interest on long-term debt	224,140	226,786	241,272
Meeting costs	19,000	9,129	7,782
Miscellaneous	27,521	63,652	32,714
National child benefit	102,641	64,001	66,379
Newsletter	3,000	2,000	1,598
Office expenses	91,500	89,685	138,404
Other expense	1,500	1,259,492	4,173
Cost of goods sold	-	7,784,539	6,889,746
Professional fees	135,209	320,830	432,335
Program costs	40,158	158,814	172,097
Property tax	-	11,746	17,689
Repairs and maintenance	314,100	725,845	431,774
Salaries and benefits	1,666,481	2,583,352	2,478,195
Social assistance	574,063	528,336	508,558
Student allowances	125,000	91,571	62,398
Supplies	83,548	103,550	94,040
Training	23,500	28,891	14,241
Transfer to band members	-	8,000	9,000
Travel	117,275	137,124	125,695
Tuition - Elementary/Secondary	665,145	759,950	640,568
Utilities and telephone	298,457	401,122	453,302
Vehicle	35,350	42,142	25,481
	5,455,973	17,440,567	15,110,834

Tseshah First Nation
Operating

Schedule 3 - Consolidated Schedule of Revenue and Expenses and Accumulated Surplus

For the year ended March 31, 2018

	2018 Budget (Note 18)	2018	2017
Revenue			
Nuu-chah-nulth Tribal Council - CFNFA	3,540,609	3,869,168	3,764,630
Nuu-chah-nulth Tribal Council - non CFNFA	458,795	686,206	1,067,302
Government of Canada	330,184	326,361	154,295
Province of B.C.	146,000	196,644	159,147
Fees	39,000	179,047	190,490
Canada Mortgage and Housing Corporation	-	178,208	23,807
Fish license fees	192,000	156,588	252,807
First Nations Health Authority	116,333	141,468	119,488
Rental income	99,600	111,463	120,805
Sales	55,000	91,651	81,814
Nuu-chah-nulth Employment & Training Board	52,000	91,229	56,336
Other revenue	66,500	80,761	116,220
Interest income	350,352	14,066	9,303
First Nation Education Steering Committee	-	63,670	16,430
Administration recoveries	-	48,570	56,251
Lease income	5,600	5,600	5,600
Other grants	4,000	4,400	29,000
	5,455,973	6,245,100	6,223,725

Continued on next page

Tseshaht First Nation
Operating

Schedule 3 - Consolidated Schedule of Revenue and Expenses and Accumulated Surplus

For the year ended March 31, 2018

	<i>2018 Budget (Note 18)</i>	<i>2018</i>	<i>2017</i>
Expenses			
Advertising	18,500	13,834	8,166
Amortization	-	939,347	1,194,602
Bad debts	-	14,916	54,640
Cultural promotion	5,000	979	672
Custom election code	-	6,647	19,521
Fire protection	49,350	71,864	69,770
Food fish expense	18,500	49,422	16,539
Honoraria	223,750	148,794	154,444
Housing grants	86,305	35,450	-
Infrastructure	423,300	-	21,098
Insurance, licenses and dues	75,680	84,150	81,318
Interest and bank charges	8,000	10,324	9,677
Interest on long-term debt	224,140	75,972	74,636
Meeting costs	19,000	9,129	7,782
Miscellaneous	42,257	63,608	32,646
National child benefit	102,641	64,001	66,379
Newsletter	3,000	2,000	1,598
Office expenses	91,500	81,224	129,083
Other expense	1,500	3,678	4,173
Professional fees	135,209	291,914	397,896
Program costs	40,158	158,814	172,097
Repairs and maintenance	343,898	424,517	214,734
Salaries and benefits	1,621,947	1,741,083	1,665,490
Social assistance	574,063	528,336	508,558
Student allowances	125,000	91,571	62,398
Supplies	83,548	65,778	57,807
Training	23,500	26,602	11,345
Travel	117,275	133,898	120,515
Tuition - Elementary/Secondary	665,145	759,950	640,568
Utilities and telephone	298,457	306,890	360,409
Vehicle	35,350	42,142	25,481
	5,455,973	6,246,834	6,184,042
Annual surplus (deficit)	-	(1,734)	39,683
Accumulated surplus, beginning of year	12,496,880	12,496,880	12,457,197
Accumulated surplus, end of year	12,496,880	12,495,146	12,496,880

**Tseshahat First Nation
Trust**

Schedule 4 - Consolidated Schedule of Revenue and Expenses and Accumulated Surplus

For the year ended March 31, 2018

	2018 Budget (Note 18)	2018	2017
Revenue			
Interest income	-	19,284	15,947
BC Special	-	2,737	2,707
	-	22,021	18,654
Expenses			
Interest and bank charges	-	-	500
Transfer to band members	-	8,000	9,000
	-	8,000	9,500
Annual surplus	-	14,021	9,154
Accumulated surplus, beginning of year	-	1,098,059	1,088,905
Accumulated surplus, end of year	-	1,112,080	1,098,059

**Tseshahat First Nation
Social Housing**

Schedule 5 - Consolidated Schedule of Revenue and Expenses and Accumulated Surplus

For the year ended March 31, 2018

	2018 Budget (Note 18)	2018	2017
Revenue			
Rental income	-	399,918	427,532
Canada Mortgage and Housing Corporation	-	273,489	156,076
Other revenue	-	1,350	2,257
Interest income	-	892	278
	-	675,649	586,143
Expenses			
Administration fees	-	38,642	35,403
Amortization	-	283,382	262,495
Insurance, licenses and dues	-	36,439	36,805
Interest and bank charges	-	-	58
Interest on long-term debt	-	99,385	101,360
Miscellaneous	-	44	68
Professional fees	-	6,600	6,300
Repairs and maintenance	-	208,704	145,556
Travel	-	1,256	2,719
Utilities and telephone	-	39,253	33,132
	-	713,705	623,896
Annual deficit	-	(38,056)	(37,753)
Accumulated surplus, beginning of year	-	1,281,211	1,318,964
Accumulated surplus, end of year	-	1,243,155	1,281,211

**Tseshaht First Nation
Enterprise**

Schedule 6 - Consolidated Schedule of Revenue and Expenses and Accumulated Surplus

For the year ended March 31, 2018

	2018 Budget (Note 18)	2018	2017
Revenue			
Sales	-	9,413,230	8,459,151
Earnings from investment in First Nation business enterprises	-	1,847,882	843,657
Government of Canada	-	1,147,840	-
Earning (loss) from investment in First Nation partnerships	-	83,775	(47,343)
Other revenue	-	59,775	53,461
Lease income	-	51,600	51,600
Interest income	-	17,703	16,257
Nuu-chah-nulth Economic Development Corporation	-	5,898	19,311
	-	12,627,703	9,396,094
Expenses			
Advertising	-	30,031	35,031
Amortization	-	171,167	171,128
Bad debts	-	1,768	1,358
Cost of goods sold	-	7,784,539	6,889,746
Fire protection	-	1,092	1,353
Impairment on investment and capital asset (Note 8)	-	1,255,816	-
Insurance, licenses and dues	-	26,109	21,683
Interest and bank charges	-	75,652	67,130
Interest on long-term debt	-	51,429	65,276
Office expenses	-	8,461	9,320
Professional fees	-	22,316	28,139
Property tax	-	11,746	17,689
Repairs and maintenance	-	92,624	71,484
Salaries and benefits	-	760,388	747,704
Supplies	-	37,772	36,233
Training	-	2,289	2,897
Travel	-	1,257	1,567
Utilities and telephone	-	54,670	59,709
	-	10,389,126	8,227,447
Annual surplus	-	2,238,577	1,168,647
Accumulated surplus, beginning of year	-	5,725,725	4,557,078
Accumulated surplus, end of year	-	7,964,302	5,725,725

**Tseshaht First Nation
Treaty**

Schedule 7 - Consolidated Schedule of Revenue and Expenses and Accumulated Surplus
For the year ended March 31, 2018

	2018 Budget (Note 18)	2018	2017
Revenue			
Interest income	-	5	18
Expenses			
Salaries and benefits	-	81,881	65,002
Utilities and telephone	-	308	53
Travel	-	713	894
	-	82,902	65,949
Annual deficit	-	(82,897)	(65,931)
Accumulated deficit, beginning of year	-	(2,911,962)	(2,846,031)
Accumulated deficit, end of year	-	(2,994,859)	(2,911,962)