

TL'ETINQOX GOVERNMENT

FINANCIAL STATEMENTS

March 31, 2018

Tl'etinqox Government
Financial Statements
For the year ended March 31, 2018

Financial Statements

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TL'ETINQOX GOVERNMENT

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CHIEF AND COUNCIL AND MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The accompanying financial statements of Tl'etinqox Government are the responsibility of management and have been approved by Chief and Council.


The 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 financial statements are presented fairly, in all material respects.

Tl'etinqox Government 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 Nation's assets are appropriately accounted for and adequately safeguarded.

Tl'etinqox Government is responsible for ensuring that management fulfills its responsibilities for financial reporting and is ultimately responsible for reviewing and approving the financial statements. Council carries out this responsibility principally through the Nation's Council.

Chief and Council review the Nation's financial statements and recommend their approval. Chief and Council meet periodically with management, as well as the external auditors, to discuss internal controls over the financial reporting issues, to satisfy themselves that each party is properly discharging their responsibilities, and to review the annual report, the financial statements and the external auditor's report. Chief and Council takes this information into consideration when approving the financial statements for issuance to the Members. Chief and Council also appoint the engagement of the external auditors.

The financial statements have been audited by PricewaterhouseCoopers LLP in accordance with Canadian generally accepted auditing standards on behalf of the members PricewaterhouseCoopers LLP has full access to the Nation Council.


Chief
Councilor



June 28, 2019

Independent Auditor's Report

To the Chief and Council of Tl'etinqox Government

We have audited the accompanying financial statements of Tl'etinqox Government, which comprise the statement of financial position as at March 31, 2018 and the statements of operations and accumulated surplus, changes in net debt and cash flows for the year then ended, and the related notes, which comprise a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

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

Auditor's responsibility

Our responsibility is to express an opinion on these 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 financial statements are free from material misstatement.

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

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 financial statements present fairly, in all material respects, the financial position of Tl'etinqox Government as at March 31, 2018 and the results of its operations, its remeasurement gains and losses, change in its net debt and its cash flow for the year then ended in accordance with Canadian public sector accounting standards.

PricewaterhouseCoopers LLP

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"PwC" refers to PricewaterhouseCoopers LLP, an Ontario limited liability partnership.



Emphasis of matter - Restated comparative information

Without modifying our opinion, we draw attention to Note 19 to the financial statements, which explains that certain comparative information for the year ended March 31, 2017 has been restated. The financial statements of Tl'etinqox Government for the year ended March 31, 2017 (prior to the restatement of the comparative information) were audited by another auditor who expressed an unmodified opinion on those financial statements on June 18, 2018.

PricewaterhouseCoopers LLP

Chartered Professional Accountants

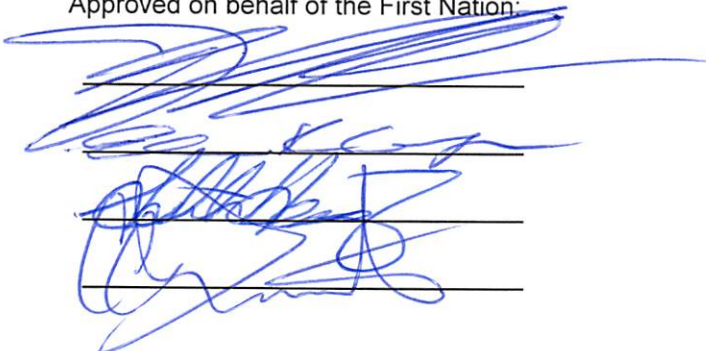
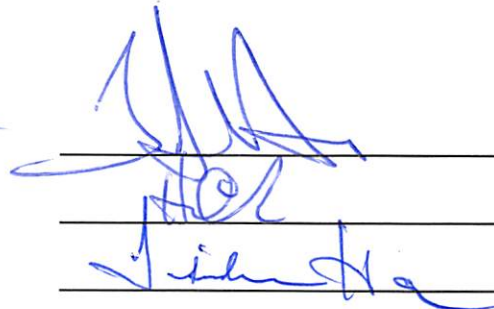
Prince George, BC

TL'ETINQOX GOVERNMENT
STATEMENT OF FINANCIAL POSITION

March 31, 2018

	<u>2018</u>	<u>2017</u> (restated) (Note 19)
FINANCIAL ASSETS		
Restricted cash (Note 4)	\$ 82,438	\$ 76,995
Accounts receivable (Note 5)	1,875,455	599,555
Investment in government business entities (Note 10)	845,458	225,132
Investment property	100,059	-
Inventory	48,836	58,079
	<u>2,952,246</u>	<u>959,761</u>
LIABILITIES		
Bank indebtedness (Note 3)	1,248,547	342,298
Accounts payable (Note 6)	1,114,119	743,624
Deferred revenue (Note 17)	983,352	433,718
Due to related parties (Note 16)	33,855	55,229
Long term debt (Note 7)	1,775,634	1,745,284
	<u>5,155,507</u>	<u>3,320,153</u>
NET FINANCIAL DEBT	<u>(2,203,261)</u>	<u>(2,360,392)</u>
NON-FINANCIAL ASSETS		
Prepaid expenses	170,677	35,608
Tangible capital assets (Note 8)	18,811,789	19,137,590
	<u>18,982,466</u>	<u>19,173,198</u>
ACCUMULATED SURPLUS (Note 9)	<u>\$ 16,779,205</u>	<u>\$ 16,812,806</u>

Approved on behalf of the First Nation:

TL'ETINQOX GOVERNMENT
STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS
For the year ended March 31, 2018

	<u>2018</u> Budget (Note 20)	<u>2018</u>	<u>2017</u> (restated) (Note 19)
REVENUE (NOTE 18)			
Indigenous Services Canada	\$ 4,154,518	\$ 5,157,028	\$ 4,439,819
Province of British Columbia	864,140	3,496,919	780,173
First Nations Health Authority	1,591,766	1,367,691	1,821,141
First Nations Education Steering Committee	375,115	360,489	382,895
CCATEC	92,284	62,741	87,372
Canada Mortgage and Housing Corporation	8,000	12,450	8,000
Gas Bar Sales	-	1,975,254	1,794,852
Rental Revenue	152,800	321,249	150,032
Income in Investment in Business Enterprises	-	620,326	167,823
Other Revenue	66,400	418,385	374,286
Interest	-	1,852	1,899
Gain (Loss) on Disposal of Tangible Capital Assets	-	26,900	(4,852)
	<u>7,305,023</u>	<u>13,821,284</u>	<u>10,003,440</u>
EXPENSES (NOTE 14 AND 18)			
Band Administration	1,573,557	1,214,397	1,076,231
Education	2,182,916	2,223,034	2,137,481
Social Development	1,146,122	969,764	1,150,705
Capital Projects and Public Works	321,675	1,594,907	1,455,719
Housing	188,750	91,187	562,318
Own Source	-	136,704	76,241
Emergency Operations Centre	-	4,236,982	-
Health	1,532,737	1,264,533	1,078,660
Natural Resource Opportunities	275,500	285,511	418,926
Gas Bar Expenses	-	1,837,866	1,773,358
	<u>7,221,257</u>	<u>13,854,885</u>	<u>9,729,639</u>
ANNUAL SURPLUS	<u>\$ 83,766</u>	<u>(33,601)</u>	<u>273,801</u>
ACCUMULATED SURPLUS, BEGINNING OF THE YEAR AS PREVIOUSLY REPORTED		16,812,806	16,324,093
PRIOR PERIOD ADJUSTMENT (NOTE 19)		-	214,912
ACCUMULATED SURPLUS, BEGINNING OF THE YEAR AS RESTATED		16,812,806	16,539,005
ACCUMULATED SURPLUS, END OF THE YEAR		<u>\$ 16,779,205</u>	<u>\$ 16,812,806</u>

TL'ETINQOX GOVERNMENT
STATEMENT OF CHANGES IN NET DEBT
For the year ended March 31, 2018

	<u>2018</u> <u>Budget</u> (Note 20)	<u>2018</u>	<u>2017</u> (restated) (Note 19)
ANNUAL SURPLUS	\$ 83,766	\$ (33,601)	\$ 273,801
TANGIBLE CAPITAL ASSETS			
Purchase of tangible capital assets	(103,310)	(613,842)	(782,445)
Amortization of tangible capital assets	-	929,043	841,556
Amortization adjustment	-	-	13,470
Proceeds on sale of tangible capital assets	-	37,500	1,000
(Gain) loss on disposal of tangible capital assets	-	(26,900)	4,852
	<u>(103,310)</u>	<u>325,801</u>	<u>78,433</u>
NON-FINANCIAL ASSETS			
Change in prepaid expense	-	(135,069)	(1,822)
INCREASE IN NET FINANCIAL ASSETS	<u>(19,544)</u>	<u>157,131</u>	<u>350,412</u>
NET FINANCIAL DEBT, BEGINNING OF THE YEAR	(2,360,392)	(2,360,392)	(2,213,295)
PRIOR PERIOD ADJUSTMENT (NOTE 19)	-	-	(497,509)
NET FINANCIAL DEBT, BEGINNING OF THE YEAR AS RESTATED	-	-	(2,710,804)
NET FINANCIAL DEBT, END OF THE YEAR	<u><u>\$ (2,379,936)</u></u>	<u><u>\$ (2,203,261)</u></u>	<u><u>\$ (2,360,392)</u></u>

TL'ETINQOX GOVERNMENT
STATEMENT OF CASH FLOWS
For the year ended March 31, 2018

	<u>2018</u>	<u>2017</u> (restated) (Notes 2 and 19)
OPERATING ACTIVITIES		
Annual surplus	\$ (33,601)	\$ 273,801
Items not involving cash:		
Trust income	(5,443)	(5,166)
Income in Investment in Business Enterprises	(620,326)	(167,823)
Gain on disposal of tangible capital assets	(26,900)	4,852
Amortization of tangible capital assets	929,043	841,556
	<u>242,773</u>	<u>947,220</u>
Changes in non-cash working capital items:		
Accounts receivable (Note 5)	(1,275,900)	802,560
Inventory	9,243	(17,914)
Investment property	(100,059)	-
Prepaid expenses	(135,069)	(1,822)
Accounts payable (Note 6)	370,495	(656,816)
Deferred revenue (Note 17)	549,634	433,718
	<u>(581,656)</u>	<u>559,726</u>
Cash from operations	<u>(338,883)</u>	<u>1,506,946</u>
CAPITAL ACTIVITIES		
Proceeds from disposal of tangible capital assets	37,500	1,000
Acquisition of tangible capital assets	(613,842)	(782,445)
	<u>(576,342)</u>	<u>(781,445)</u>
INVESTING ACTIVITIES		
Repayment of loans and advances from related parties	<u>(21,374)</u>	<u>(192,042)</u>
FINANCING ACTIVITIES		
Long-term debt advances	224,532	60,485
Long-term debt repayment	(194,182)	(116,085)
	<u>30,350</u>	<u>(55,600)</u>
(DECREASE) INCREASE IN CASH DURING THE YEAR	<u>(906,249)</u>	<u>477,859</u>
CASH (DEFICIENCY), BEGINNING OF THE YEAR	<u>(342,298)</u>	<u>(820,157)</u>
CASH (DEFICIENCY), END OF THE YEAR	<u><u>\$ (1,248,547)</u></u>	<u><u>\$ (342,298)</u></u>

Tl'etinqox Government
Financial Statements
For the year ended March 31, 2018

1. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles for government entities, as defined in the CPA Canada Public Sector Accounting Handbook which encompasses the following principles.

Reporting Entity and Principles of Financial Reporting

Tl'etinqox Government (the "Nation") reporting entity includes Tl'etinqox Government and all related entities, which are accountable to Tl'etinqox Government and are either owned or controlled by the Tl'etinqox Government.

Investments in Government Business Entities

Business entities, which are owned or controlled by the Tl'etinqox Government and which are not dependent on the Nation for their continuing operations, are included in the summary financial statements using the modified equity method. These include:

- Klatassine Resources Ltd.
- Klatassine Resources LLP
- Dechen Ventures Ltd.
- Dechen Ventures LP

Financial Instruments

The Nation recognizes and measures financial assets and financial liabilities on the statement of financial position when it becomes a party to the contractual provisions of a financial instrument. All transactions related to financial instruments are recorded on a trade date or settlement date basis. All financial instruments are measured at fair value on the initial recognition. Financial instruments are subsequently measured at amortized cost as the Nation has not entered into any derivative contracts and it does not hold any investments in equity instruments quoted on the active market. Since no financial instruments are measured at fair value after the initial recognition, a Statement of Remeasurement Gains and Losses has not been presented in these financial statements.

Financial assets measured at cost include restricted cash, and accounts receivable.

Financial liabilities measured at cost include the bank indebtedness, accounts payable and accrued liabilities, due to related parties and long-term debt.

Inventory

Inventory is valued at the lower of cost and net realizable value. Cost is measured using the average weighted cost method.

Tl'etinqox Government
Financial Statements
For the year ended March 31, 2018

1. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES, continued

Revenue Recognition

Revenue is recognized in the period in which the transactions or events occurred that gave rise to the revenue. Gains are recognized when realized. Items not practically measurable until cash is received are accounted for at that time.

Government transfers are recognized as revenue when the transfer is authorized and any eligibility criteria are met, except to the extent that transfer stipulations give rise to an obligation that meets the definition of a liability in which case are recognized as deferred revenue and recognized in the statement of operations as the stipulation liabilities are settled.

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

Rental revenue is recognized when a tenant commences occupancy and rent is due. Tl'etinqox Government retains all benefits and risks of ownership of its property and, therefore, accounts for leases with its tenants as operating leases.

All other revenue is recognized in the period in which the events that give rise to the revenue occurs.

Funding Recoveries and Reimbursements

Funding received from federal government sources in the form of conditional transfer payments are subject to recovery, by the Crown, of unexpended balances or unallowable expenses. The Crown may also reimburse over expenditures upon determining adherence to the terms and conditions of payment for a specified purpose. Recoveries and reimbursements are accounted for when they are paid or payable or received or receivable.

Ottawa Trust Fund

Tl'etinqox Government uses the accrual method of accounting for Ottawa Trust Fund revenues earned in the Fund. Trust monies are recognized in the revenue of the Nation upon withdrawal from the Ottawa Trust Fund.

Deferred Revenue

Funds received for specific purposes which are externally restricted by legislation, regulation or agreement and are not available for general purposes are accounted for as deferred revenue on the statement of financial position. The revenue is recognized in the statement of financial activity in the year in which it is used for the specified purpose.

Cash and Cash Equivalents

Cash and cash equivalents consist of cash on hand, bank balances and bank overdrafts with maturities of three months or less.

TI'etinqox Government
Financial Statements
For the year ended March 31, 2018

1. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES, continued

Impairment of Long-lived Assets

In the event that facts and circumstances indicate that the Nation's long-lived assets may be impaired, an evaluation of recoverability would be performed. Such an evaluation entails comparing the estimated future undiscounted cash flows associated with the asset to the asset's carrying amount to determine if a write-down to market value or discounted cash flow value is required. The Nation considers that no circumstances exist that would require such an evaluation.

Use of Estimates

The preparation of financial statements in accordance with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from management's best estimates as additional information becomes available in the future. Significant estimates included in these financial statements include the valuation of accounts receivable, accuracy of accounts payable and accrued liabilities, the useful life of tangible capital assets and the calculation of deferred revenue.

Tangible Capital Assets

Tangible capital assets are initially recorded at acquisition cost or cost of construction. Contributed tangible capital assets are recorded at their fair value at date of contribution.

The acquisition costs of tangible capital assets and payments on capital debt, which are not funded from capital financing sources, are charged to operations and matched with the applicable revenue source in the year of expenditure.

Amortization

Tangible capital assets recorded are amortized annually with a corresponding reduction in equity in tangible capital assets. Tangible capital assets are amortized over their expected useful lives on a declining balance basis at the following rates:

Automotive equipment	30%
Buildings	4%
Computers and software	100%
Infrastructure	4%
Office and furniture equipment	30%

Assets under construction are not amortized until fully in use.

Ti'etinqox Government
Financial Statements
For the year ended March 31, 2018

1. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES, continued

Leased Assets

Leases are entered into that transfer substantially all of the benefits and risks associated with ownership are recorded as the acquisition of a tangible capital asset, and the incurrence of an obligation. The asset is amortized in a manner consistent with tangible capital assets owned by the Nation, and the obligation, including interest thereon, is liquidated over the term of the lease. All other leases are accounted for as operating leases, and the rental costs are expensed as incurred.

2. CHANGES IN ACCOUNTING POLICY

Ti'etinqox adopted the following new accounting policies:

Cash flow statement – indirect method

Effective April 1, 2017, the Nation reverted back to the indirect method for the cash flow statement. The accounting change was applied retrospectively and the prior period was restated.

PS 2200 Related Party Disclosures and PS 3420 Inter-Entity Transactions

Effective April 1, 2017, the Nation adopted the recommendations relating to PS 2200 Related Party Disclosures and PS 3420 Inter-Entity Transactions, as set out in the CPA Canada Public Sector Accounting Handbook. Pursuant to the recommendations, the changes were applied prospectively, and prior periods have not been restated.

These new Sections define a related party and establish disclosures required for related party transactions. Disclosure is required when related party transactions have occurred at a value different from that which would have been arrived at if the parties were unrelated, and they have, a material financial effect on the financial statements. They also establish standards on how to account for and report transactions between public sector entities that comprise a government's reporting entity from both a provider and recipient perspective.

There was no material impact on the financial statements of adopting the new Sections.

PS 3210 Assets, PS 3320 Contingent Assets and PS 3380 Contractual Rights

Effective April 1, 2017, the Nation adopted the recommendations relating to PS 3210 Assets, PS 3320 Contingent Assets, and PS 3380 Contractual Rights, as set out in the CPA Canada Public Sector Accounting Handbook. Pursuant to the recommendations, the changes were applied prospectively, and prior periods have not been restated.

PS 3210 Assets provides additional guidance to clarify the definition of assets set out in PS 1000 Financial Statement Concepts.

PS 3320 Contingent Assets establishes disclosure standards on contingent assets.

Ti'etinqox Government
Financial Statements
For the year ended March 31, 2018

2. CHANGE IN ACCOUNTING POLICY, continued

PS 3380 Contractual Rights establishes disclosure standards on contractual rights, and does not include contractual rights to exchange assets where revenue does not arise. The main features of this Section are as follows:

- Contractual rights are rights to economic resources arising from contracts or agreements that will result in both an asset and revenue in the future.
- Until a transaction or event occurs under a contract or agreement, an entity only has a contractual right to an economic resource. Once the entity has received an asset, it no longer has a contractual right.
- Contractual rights are distinct from contingent assets as there is no uncertainty related to the existence of the contractual right.

There was no material impact on the financial statements of adopting the new Sections.

3. CASH (BANK INDEBTEDNESS)

Cash is held in Canadian Chartered Banks and earns interest at the current prevailing rates for business operating accounts.

Included in above are approved operating lines of credit totaling \$1,500,000 (2017 - \$500,000), variable rate of prime plus 0.5%. Prime for the year ended March 31, 2018 was 3.45% (2017 – 2.70%), secured by general security agreement.

4. RESTRICTED CASH

	<u>2018</u>	<u>2017</u>
Ottawa Trust revenue	\$ 69,814	\$ 69,814
Ottawa Trust capital	<u>12,624</u>	<u>7,181</u>
	<u><u>\$ 82,438</u></u>	<u><u>\$ 76,995</u></u>

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 Revenue Fund of the Government of Canada and are subject to audit by the Office of the Auditor General of Canada. These funds are restricted in their use. The Nation is permitted to use its revenue for any purpose that will promote the general progress and welfare of the Nation and Nation members. The expenditures of capital funds requires the consent of Indigenous and Northern Affairs Canada and generally must be for projects of a capital nature. Withdrawals of revenue or capital funds are recorded as revenue in the applicable fund where the monies are expended.

TI'etinqox Government
Financial Statements
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5. ACCOUNTS RECEIVABLE

Accounts receivable by program area is summarized as follows:

	<u>2018</u>	<u>2017</u> (restated) (Note 19)
Operating		
Account receivable - ISC	\$ 297,058	\$ 141,364
Account receivable - other	431,729	458,191
Accrued receivable - wildfire	<u>1,146,668</u>	<u>-</u>
	<u><u>\$ 1,875,455</u></u>	<u><u>\$ 599,555</u></u>

During the summer of 2017 the community of the TI'etinqox Government was impacted by wildfires.

As a result the Nation recorded:

Expenses

Emergency Operations Centre	\$ 4,011,333
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Recoveries (Revenue)

Province of BC	1,781,419
Indigenous Services Canada	353,558
Canadian Red Cross	233,240
First Nations Health Authority	<u>163,336</u>

2,531,553

Accrued wildfire receivables as of March 31, 2018	1,479,780
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Less allowance for doubtful accounts	<u>(333,112)</u>
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Net accrued wildfire receivables as of March 31, 2018	<u><u>\$ 1,146,668</u></u>
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Subsequent to March 31, 2018 the Nation has received \$384,717 of the accrued wildfire receivable.

It is the Nation's policy to record management's best estimate of the amount of expenses related to the wildfire that will be recoverable. Actual amounts received could be different.

Ti'etinqox Government
Financial Statements
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6. ACCOUNTS PAYABLE

	<u>2018</u>	<u>2017</u>
		(restated) (Note 19)
Operating	\$ 901,200	\$ 707,159
Funding recoverable	205,407	-
Government remittances payable	<u>7,512</u>	<u>36,465</u>
	<u>\$ 1,114,119</u>	<u>\$ 743,624</u>

Ti'etinqox Government
Financial Statements
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7. LONG TERM DEBT

	<u>2018</u>	<u>2017</u>
Mortgage term loan, repayable in monthly instalments of \$3,080, including fixed interest at 4.91% per annum, secured by a Government of Canada ministerial guarantee, maturing November 11th, 2020.	\$ 347,590	\$ 366,966
Mortgage term loan, repayable in monthly instalments of \$3,815, including interest at 5.85% per annum, secured by a Government of Canada ministerial guarantee, maturing December 2019.	244,095	281,995
Demand loan, repayable in monthly average instalments of \$2,451, including interest is at prime plus 0.5% per annum (prime was 3.45% at March 31, 2018).	253,739	323,126
Fixed term loan, repayable in monthly installments of \$4,181, fixed interest rate of 3.14% per annum, maturing February 28th, 2022.	680,318	712,711
First Truck Centre Vancouver repayable in monthly installments of \$1,278, including fixed interest at 5.9% per annum, secured by specific equipment with a net book value of \$66,122 maturing September 3rd, 2021.	48,393	60,486
Inland Kenworth Loan repayable in monthly installments of \$4,309, including fixed interest at 5.69% per annum, secured by specific equipment with a net book value of \$247,760 maturing August 29th, 2022.	201,499	-
	1,775,634	1,745,284
Less loan on demand	253,739	1,284,317
Less current portion	193,492	155,970
	<u>\$ 1,328,403</u>	<u>\$ 304,997</u>

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

2019	\$ 213,184
2020	216,372
2021	219,754
2022	215,566
2023 and thereafter	910,758

Tl'etinqox Government
Financial Statements
For the year ended March 31, 2018

8. TANGIBLE CAPITAL ASSETS

	2018		2017	
			(restated)	
			(Note 19)	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Automotive equipment	\$ 1,488,681	\$ 1,042,064	\$ 1,192,332	\$ 1,041,265
Buildings	16,884,431	5,704,607	16,884,431	5,247,789
Computers and software	39,768	5,965	-	-
Infrastructure	10,738,202	3,921,532	10,668,567	3,638,955
Office and furniture equipment	1,299,995	965,120	1,197,905	877,636
Assets under construction	-	-	-	-
	\$ 30,451,077	11,639,288	\$ 29,943,235	10,805,645
Net book value		\$ 18,811,789		\$ 19,137,590

Ti'etinqox Government
Financial Statements
For the year ended March 31, 2018

8. TANGIBLE CAPITAL ASSETS, continued

							2018
	Automotive	Buildings	Computer and software	Infrastructure	Office and furniture	Assets under Construction	Total
Cost							
Opening balance	\$ 1,192,332	\$ 16,884,431	\$ -	\$ 10,668,567	\$ 1,197,905	\$ -	\$ 29,943,235
Additions	402,349	-	39,768	69,635	102,090	-	613,842
Disposals	(106,000)	-	-	-	-	-	(106,000)
Closing balance	1,488,681	16,884,431	39,768	10,738,202	1,299,995	-	30,451,077
Accumulated amortization							
Opening balance	1,041,265	5,247,789	-	3,638,955	877,636	-	10,805,645
Amortization	96,199	456,818	5,965	282,577	87,484	-	929,043
Disposals	(95,400)	-	-	-	-	-	(95,400)
Closing balance	1,042,064	5,704,607	5,965	3,921,532	965,120	-	11,639,288
Net book value	<u>\$ 446,617</u>	<u>\$ 11,179,824</u>	<u>\$ 33,803</u>	<u>\$ 6,816,670</u>	<u>\$ 334,875</u>	<u>\$ -</u>	<u>\$ 18,811,789</u>

Tl'etinqox Government
Financial Statements
For the year ended March 31, 2018

8. TANGIBLE CAPITAL ASSETS, continued

						2017	
	Automotive	Buildings	Computer and software	Infrastructure	Office and furniture	Assets under Construction	Total
				(restated)		(restated)	(restated)
				(Note 19)		(Note 19)	(Note 19)
Cost							
Opening balance	\$ 1,442,924	\$ 16,884,431	\$ 33,114	\$ 10,120,183	\$ 1,453,055	\$ -	\$ 29,933,707
Additions	-	-	-	548,384	123,517	-	671,901
Disposals	(250,592)	-	(33,114)	-	(378,667)	-	(662,373)
Closing balance	1,192,332	16,884,431	-	10,668,567	1,197,905	-	29,943,235
Accumulated amortization							
Opening balance	1,253,186	4,784,079	33,114	3,532,775	1,003,986	-	10,607,140
Amortization	38,671	459,607	-	264,331	78,947	-	841,556
Disposals	(250,592)	-	(33,114)	-	(372,753)	-	(656,459)
Adjustment	-	4,103	-	(158,151)	167,456	-	13,408
Closing balance	1,041,265	5,247,789	-	3,638,955	877,636	-	10,805,645
Net book value	\$ 151,067	\$ 11,636,642	\$ -	\$ 7,029,612	\$ 320,269	\$ -	\$ 19,137,590

TI'etinqox Government
Financial Statements
For the year ended March 31, 2018

9. ACCUMULATED SURPLUS

	<u>2018</u>	<u>2017</u> (restated) (Note 19)
Operating Decficit	\$ (106,785)	\$ (339,665)
Equity in Capital Assets	16,803,552	17,075,477
Equity in Government Trust	82,438	76,994
	<u>\$ 16,779,205</u>	<u>\$ 16,812,806</u>

10. INVESTMENTS IN GOVERNMENT BUSINESS ENTITIES

The Nation has investments in the following entities

	<u>2018</u>	<u>2017</u> (restated) (Note 19)
Dechen Ventures Limited Partnership - 99%	\$ 541,600	\$ 123,709
Dechen Ventures Ltd. - 100%	4,017	-
Klatassine Resources LLP - 99%	156,069	(42,273)
Klatassine Resources Ltd. - 100%	143,771	143,695
Sigurdson's	1	1
	<u>\$ 845,458</u>	<u>\$ 225,132</u>

Sigurdson's

Sigurdson's (advance), a wholly-owned subsidiary of TI'etquinox Government, is currently inactive and holds no assets.

TI'etinqox Government
Financial Statements
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10. INVESTMENTS IN GOVERNMENT BUSINESS ENTITIES, continued

Dechen Ventures Limited Partnership

Dechen Ventures Limited Partnership ("Dechen LP"), a partnership between TI'etquinox Government and Dechen Ventures Ltd. that is registered under the Companies Act of the Province of BC. The partnership operates in the forestry industry, providing vehicle operations, silviculture operations, management services and forestry operations in Alexis Creek.

A summary of the financial results for the year then ended is presented as follows:

BALANCE SHEET
March 31, 2018

	<u>2018</u>	<u>2017</u>
ASSETS		
Current Assets	<u>\$ 584,141</u>	<u>\$ 152,292</u>
LIABILITIES		
Current Liabilities	\$ 37,070	\$ 28,583
PARTNERS' EQUITY	<u>547,071</u>	<u>123,709</u>
	<u>\$ 584,141</u>	<u>\$ 152,292</u>

INCOME STATEMENT
For the Year Ended March 31, 2018

	<u>2018</u>	<u>2017</u>
REVENUE	<u>\$ 1,239,594</u>	<u>\$ 1,130,421</u>
EXPENSES	<u>816,232</u>	<u>1,002,314</u>
NET INCOME FOR THE YEAR	<u>\$ 423,362</u>	<u>\$ 128,107</u>

Tl'etinqox Government
Financial Statements
For the year ended March 31, 2018

10. INVESTMENTS IN GOVERNMENT BUSINESS ENTITIES, continued

Dechen Ventures Limited Partnership, continued

STATEMENT OF PARTNERS' EQUITY

For the Year Ended March 31, 2018

	<u>2018</u>	<u>2017</u>
EQUITY, TL'ETQUINOX GOVERNMENT		
Balance, beginning of the year	\$ 123,709	\$ (4,398)
Income for the year	<u>417,891</u>	<u>128,107</u>
	<u>541,600</u>	<u>123,709</u>
EQUITY, DECHEN VENTURES LTD.		
Balance, beginning of the year	-	-
Income for the year	<u>5,471</u>	<u>-</u>
	<u>5,471</u>	<u>-</u>
BALANCE AT END OF THE YEAR	<u><u>\$ 547,071</u></u>	<u><u>\$ 123,709</u></u>

TI'etingox Government
Financial Statements
For the year ended March 31, 2018

10. INVESTMENTS IN GOVERNMENT BUSINESS ENTITIES, continued

Dechen Ventures Ltd.

Klatassine Resources Ltd., is a wholly-owned subsidiary of TI'etingox Government. Klatassine Resources Ltd. is incorporated under the Business Corporations Act of British Columbia and was established to generate funds used to support the activities of the TI'etingox Government.

BALANCE SHEET
March 31, 2018

	<u>2018</u>	<u>2017</u>
ASSETS	<u>\$ 5,571</u>	<u>\$ 100</u>
LIABILITIES		
Current Liabilities	<u>\$ 1,500</u>	<u>\$ -</u>
SHAREHOLDERS EQUITY		
Share Capital	100	100
Retained Earnings	<u>3,917</u>	<u>-</u>
	<u>4,017</u>	<u>100</u>
	<u>\$ 5,517</u>	<u>\$ 100</u>

INCOME STATEMENT
For the Year Ended March 31, 2018

	<u>2018</u>	<u>2017</u>
REVENUE	<u>\$ 5,471</u>	<u>\$ -</u>
EXPENSES	<u>1,500</u>	<u>-</u>
NET INCOME	3,971	-
RETAINED EARNINGS, BEGINNING OF THE YEAR	<u>-</u>	<u>-</u>
RETAINED EARNINGS, YEAR END	<u>\$ 3,971</u>	<u>\$ -</u>

Tl'etinqox Government
Financial Statements
For the year ended March 31, 2018

10. INVESTMENTS IN GOVERNMENT BUSINESS ENTITIES, continued

Klatassine Resources LLP

Klatassine Resources LLP ("Klatassine LLP"), a partnership between Tl'etinqox Government and Klatassine Resources Ltd. that is registered under the Companies Act of the Province of BC. The partnership operates in the forestry industry, silviculture operations, and forestry operations in Alexis Creek.

A summary of the financial results for the year then ended is presented as follows:
Klatassine Resources LLP, continued

BALANCE SHEET
March 31, 2018

	<u>2018</u>	<u>2017</u>
ASSETS		
Current Assets	\$ 360,938	\$ 123,408
PROPERTY AND EQUIPMENT	<u>66,584</u>	<u>94,678</u>
	<u><u>\$ 427,522</u></u>	<u><u>\$ 218,086</u></u>
LIABILITIES		
Current Liabilities	\$ 269,877	\$ 260,359
PARTNERSHIP EQUITY (DEFICIENCY)	<u>157,645</u>	<u>(42,273)</u>
	<u><u>\$ 427,522</u></u>	<u><u>\$ 218,086</u></u>

TI'etinqox Government
Financial Statements
For the year ended March 31, 2018

10. INVESTMENTS IN GOVERNMENT BUSINESS ENTITIES, continued

Klatassine Resources LLP, continued

INCOME STATEMENT

For the Year Ended March 31, 2018

	<u>2018</u>	<u>2017</u>
REVENUE	\$ 298,244	\$ 395,463
EXPENSES	<u>98,326</u>	<u>437,736</u>
NET INCOME (LOSS)	199,918	(42,273)
PARTNERSHIP EQUITY (DEFICIENCY), BEGINNING OF THE YEAR	<u>(42,273)</u>	<u>-</u>
PARTNERSHIP EQUITY (DEFICIENCY), END OF THE YEAR	<u>\$ 157,645</u>	<u>\$ (42,273)</u>

STATEMENT OF PARTNERS' EQUITY

For the Year Ended March 31, 2018

	<u>2018</u>	<u>2017</u>
EQUITY, TL'ETQUINOX GOVERNMENT		
Balance, beginning of the year	\$ 123,709	\$ (4,398)
Income for the year	<u>417,891</u>	<u>128,107</u>
	<u>541,600</u>	<u>123,709</u>
EQUITY, KLATASSINE RESOURCES LTD.		
Balance, beginning of the year	-	-
Income for the year	<u>5,471</u>	<u>-</u>
	<u>5,471</u>	<u>-</u>
BALANCE AT END OF THE YEAR	<u>\$ 547,071</u>	<u>\$ 123,709</u>

Tl'etinqox Government
Financial Statements
For the year ended March 31, 2018

10. INVESTMENTS IN GOVERNMENT BUSINESS ENTITIES, continued

Klatassine Resources Ltd.

Klatassine Resources Ltd., a harvesting and silviculture company, that is registered under the Companies Act of the Province of BC operating in Alexis Creek British Columbia, is a wholly-owned subsidiary of Tl'etinqox Government. Klatassine Resources Ltd. is incorporated under the Business Corporations Act of British Columbia and was established to generate funds used to support the activities of the Tl'etinqox Government.

A summary of the financial results for the year then ended is presented as follows:

BALANCE SHEET
March 31, 2018

	<u>2018</u>	<u>2017</u>
ASSETS		
PARTNERSHIP INTEREST	\$ 1,576	\$ -
DUE FROM RELATED PARTY	<u>143,695</u>	<u>143,695</u>
	<u><u>\$ 145,271</u></u>	<u><u>\$ 143,695</u></u>
LIABILITIES		
Current Liabilities	<u>\$ 1,500</u>	<u>\$ -</u>
SHAREHOLDERS EQUITY		
Share Capital	1	1
Retained Earnings	<u>143,770</u>	<u>143,694</u>
	<u>143,771</u>	<u>143,695</u>
	<u><u>\$ 145,271</u></u>	<u><u>\$ 143,695</u></u>

Tl'etinqox Government
Financial Statements
For the year ended March 31, 2018

10. INVESTMENTS IN GOVERNMENT BUSINESS ENTITIES, continued

Klatassine Resources Ltd., continued

A summary of the financial results for the year then ended is presented as follows:

INCOME STATEMENT
For the Year Ended March 31, 2018

	<u>2018</u>	<u>2017</u>
REVENUE	<u>\$ 1,576</u>	<u>\$ -</u>
EXPENSES	<u>1,500</u>	<u>-</u>
NET INCOME	76	-
RETAINED EARNINGS, BEGINNING OF THE YEAR	<u>143,694</u>	<u>143,694</u>
RETAINED EARNINGS, YEAR END	<u><u>\$ 143,770</u></u>	<u><u>\$ 143,694</u></u>

11. CORRESPONDING FIGURES

Certain corresponding amounts presented in the financial statements have been restated to conform to current year's presentation, see note 19.

12. COMMITMENTS

Tl'etinqox Government is required to make the following future minimum lease payments on operating lease obligations over the next five years:

2019	\$ 24,173
2020	18,970
2021	7,313
2022	6,480
2023	<u>7,020</u>
	<u><u>\$ 63,956</u></u>

13. EMPLOYEE BENEFITS

The Nation has a defined contribution plan providing pension benefits to certain employees. The pension cost charge represents contributions payable by the Nation to the plans and amount to \$96,412 (2017 - \$47,764).

Ti'etinqox Government
Financial Statements
For the year ended March 31, 2018

14. EXPENSE BY OBJECT

	<u>2018</u>	<u>2017</u> (restated) (Note 19)
Activities	\$ 72,654	\$ 46,786
Advertising	13,734	-
Allowance	533,632	554,878
Amortization	929,043	841,556
Bad debts	334,543	-
Band Member Assistance	10,849	4,592
Bank Charges	33,338	33,402
Catering	176,527	105,118
Consulting Fees	289,863	308,337
Contract Services	900,288	1,062,299
Cost of Sales, Gas Bar	1,565,365	1,437,663
Donations	31,605	66,356
Equipment Rental	446,124	52,084
Fees and Dues	23,599	15,699
Fuel	188,758	98,922
Honoraria	138,405	159,207
Hot Lunch	51,000	50,400
Incentives	53,089	74,235
Income Assistance	559,975	549,259
Insurance	130,704	117,590
Interest on Long-Term Debt	71,871	74,454
Materials and Supplies	885,271	638,331
Office and Miscellaneous	66,603	39,015
Professional Fees	394,071	195,318
Rent	170,007	76,226
Repairs and Maintenance	214,938	121,826
Room and Board	85,973	
Telephone	72,812	48,795
Training	68,086	57,906
Travel and Accommodation	436,633	381,995
Tuition	194,109	225,594
Utilities	179,704	144,945
Wages and Benefits	4,531,712	2,146,851
	<u><u>\$ 13,854,885</u></u>	<u><u>\$ 9,729,639</u></u>

15. ECONOMIC DEPENDENCE

The Nation received a major portion of its revenues pursuant to a funding arrangement with Indigenous and Northern Affairs Canada 37% (2017 – 44%) and First Nation Health Authority 10% (2017 – 18%) for the year ended March 31, 2018.

Tl'etinqox Government
Financial Statements
For the year ended March 31, 2018

16. DUE (TO) FROM RELATED PARTIES

	<u>2018</u>	<u>2017</u> (restated) (Note 19)
Dechen Ventures LP	\$ (41,766)	\$ (59,506)
Klatassine Resources Ltd.	7,911	4,286
Dechen - Gas bar	-	(9)
	<u>\$ (33,855)</u>	<u>\$ (55,229)</u>

Loan received from related parties are unsecured, non-interest bearing, and with no specific terms of repayment.

17. DEFERRED REVENUE

	<u>2017</u> (restated) (Note 19)	<u>Additions</u>	<u>Returns</u>	<u>2018</u>
Indigenous Services Canada	\$ 323,897	\$ 460,456	\$ 323,897	\$ 460,456
First Nations Health Authority	109,821	422,896	109,821	422,896
First Nations Education Steering Committee	-	70,000	-	70,000
Other	-	30,000	-	30,000
	<u>\$ 433,718</u>	<u>\$ 983,352</u>	<u>\$ 433,718</u>	<u>\$ 983,352</u>

18. SEGMENT DISCLOSURE

Tl'etinqox Government is a diversified First Nations organization that provides a wide range of services to its members. Distinguishable functional segments have been separately disclosed in the segmented information. The nature of the segments and the activities they encompass are as follows:

Band Administration

This item relates to the revenues and expenses that relate to the operations of Tl'etinqox Government itself and cannot be directly attributed to a specific segment.

Education

This service area provides educational services through the operations of an on-reserve school, post secondary education support and the operations of various other educational programs. The goal of this segment is to enhance the educational opportunities of Tl'etinqox Government's Members.

Social Development

This service area provides services to help the Members by providing a variety of programs, community services and social assistance.

Tl'etinqox Government
Financial Statements
For the year ended March 31, 2018

18. SEGMENT DISCLOSURE, continued

Capital Projects and Public Works

This service area provides services relating to the development, maintenance and service of Tl'etinqox Government's assets, infrastructure and common property.

Housing

This service area provides for social housing to the Members.

Health

This service area provides for health-related services and programs to the Members.

Own Source

This segment represents revenue and expenses from band activities and investments in government business entities

Natural Resource Management

This service area includes exploration of natural resources and development of natural resource revenues.

Tl'etinqox Gas Bar

This service area includes selling gas and grocery to the Members and visitors.

Tl'etinqox Government
Financial Statements
For the year ended March 31, 2018

18. SEGMENT DISCLOSURE, continued

2018

	Band Administration	Education	Social Development	Capital Projects and Public Works	Housing	Health	Own Source	Natural Resource	Emergency Operations Centre	Tl'etinqox Gas Bar	Total
Revenue											
INAC	\$ 738,551	\$ 1,989,112	\$ 819,108	\$ 267,705	\$ -	\$ -	\$ -	\$ -	\$ 1,342,552	\$ -	\$ 5,157,028
Other	42,696	656,190	312,721	255,785	29,326	1,244,872	889,037	589,595	2,668,781	2,184,004	8,873,007
	781,247	2,645,302	1,131,829	523,490	29,326	1,244,872	889,037	589,595	4,011,333	2,184,004	14,030,035
Expenses											
Payroll	477,968	727,067	217,182	209,080	12,450	476,691	78,117	-	2,108,697	224,460	4,531,712
Other	736,429	1,495,967	752,582	456,784	78,737	787,842	58,587	285,511	2,128,285	1,822,157	8,602,881
Amortization	-	-	-	929,043	-	-	-	-	-	-	929,043
	1,214,397	2,223,034	969,764	1,594,907	91,187	1,264,533	136,704	285,511	4,236,982	2,046,617	14,063,636
Surplus (deficit)	\$ (433,150)	\$ 422,268	\$ 162,065	\$ (1,071,417)	\$ (61,861)	\$ (19,661)	\$ 752,333	\$ 304,084	\$ (225,649)	\$ 137,387	\$ (33,601)

2017

(restated)
(Note 19)

	Band Administration	Education	Social Development	Capital Projects and Public Works	Housing	Health	Own Source	Natural Resources	Emergency Operations Centre	Tl'etinqox Gas Bar	Total
Revenue											
INAC	\$ 640,037	\$ 1,584,952	\$ 800,009	\$ 1,153,632	\$ 261,189	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,439,819
Other	51,916	527,312	441,882	592,852	44,085	1,130,115	194,916	785,691	-	1,794,852	5,563,621
	691,953	2,112,264	1,241,891	1,746,484	305,274	1,130,115	194,916	785,691	-	1,794,852	10,003,440
Expenses											
Payroll	303,478	559,441	145,847	335,258	48,406	400,538	20,004	81,064	-	252,815	2,146,851
Other	772,753	1,578,040	1,004,858	278,905	513,912	678,122	56,237	337,862	-	1,520,543	6,741,232
Amortization	-	-	-	841,556	-	-	-	-	-	-	841,556
	1,076,231	2,137,481	1,150,705	1,455,719	562,318	1,078,660	76,241	418,926	-	1,773,358	9,729,639
Surplus (deficit)	\$ (384,278)	\$ (25,217)	\$ 91,186	\$ 290,765	\$ (257,044)	\$ 51,455	\$ 118,675	\$ 366,765	\$ -	\$ 21,494	\$ 273,801

Tl'etinqox Government
Financial Statements
For the year ended March 31, 2018

19. PRIOR PERIOD ADJUSTMENTS

During the preparation of the 2018 financial statements, management discovered there were certain items that had not been given correct accounting treatment in 2016 and 2017.

These items were as follows:

(a) Expensing of capital additions

In 2016 and 2017 there were infrastructure additions that had been previously recorded as expenses on the Statement of Operations. Management made the following adjustment to correct the errors:

Tangible capital assets prior to restatement	\$ 18,284,853
2017 infrastructure additions, previously expensed	46,480
2016 infrastructure additions, previously expensed	822,956
2017 amortization related to the above additions	<u>(16,699)</u>
	<u>852,737</u>
Tangible capital assets after restatement - March 31, 2017	<u><u>\$ 19,137,590</u></u>
Amortization prior to restatement	\$ 829,524
Prior period adjustment - amortization	16,699
Prior period adjustment - amortization reclassification	<u>(4,667)</u>
	<u>12,032</u>
Amortization, after restatement - March 31, 2017	<u><u>\$ 841,556</u></u>

Ti'etinqox Government
Financial Statements
For the year ended March 31, 2018

19. PRIOR PERIOD ADJUSTMENTS, continued

(b) Recognition of contribution revenue

In 2017 there was an accounting error that resulted in the understatement of accounts receivable. In addition in 2017, other government transfer and contribution revenues were incorrectly recognized in the year, but should have been deferred, as they had not met the recognition criteria of the funder. These errors resulted in changes to accounts receivable, deferred revenue, net financial debt at the beginning of the year and revenue amounts for the year ended March 31, 2017.

Revenue	\$ (476,447) increase
Accounts receivable	309,214 increase
Deferred revenue	(433,718) increase
Accounts payable	103,858 decrease
Opening Surplus	<u>497,093 decrease</u>
Net change	<u><u>\$ -</u></u>

(c) Related party transactions and other miscellaneous adjustments

In 2017 certain related party transaction were incorrectly recorded. These errors resulted in changes to the investment in nation business entities, due to and from related parties and expense amounts for the year ended March 31, 2017.

Expenses	\$ 131,624
Investment in Nation business entities	(47,833)
Due to related parties	(66,660)
Prepaid expenses	(10,871)
Opening Surplus	<u>(6,260)</u>
Net change	<u><u>\$ -</u></u>

Ti'etinqox Government
Financial Statements
For the year ended March 31, 2018

19. PRIOR PERIOD ADJUSTMENTS, continued

The correction of these errors has resulted in the following changes to the 2017 statements:

STATEMENT OF FINANCIAL POSITION
March 31, 2017

	<u>Reported amount</u>	<u>Adjustment</u>	<u>Restated amount</u>
Financial assets			
Accounts receivable (note 19 a)	\$ 290,341	\$ 309,214	\$ 599,555
Investment in Nation business entities (note 19 c)	272,965	(47,833)	225,132
Due from related parties (note 19 c)	11,431	(11,431)	-
		<u>249,950</u>	
Liabilities			
Bank indebtedness	342,416	(118)	342,298
Accounts payable (note 19 b)	847,482	(103,858)	743,624
Deferred revenue (note 19 b)	-	433,718	433,718
Due to related parties (note 19 c)	-	55,229	55,229
		<u>384,971</u>	
Non-financial assets			
Prepaid expenses	46,479	(10,871)	35,608
Tangible capital assets (note 19 a)	18,284,853	852,737	19,137,590
		<u>841,866</u>	
 Accumulated Surplus	 \$ 16,105,961	 \$ 706,845	 \$ 16,812,806

Ti'etinqox Government
Financial Statements
For the year ended March 31, 2018

19. PRIOR PERIOD ADJUSTMENTS, continued

STATEMENT OF CHANGES IN NET DEBT
March 31, 2017

	<u>As previously reported</u>	<u>Correction of errors</u>	<u>Restated amount</u>
Annual (deficit) surplus (note 19, a, b, and c)	\$ (71,024)	344,825	\$ 273,801
Tangible capital assets			
Purchase of tangible capital assets (note 19 a)	(631,746)	(150,699)	(782,445)
Amortization of tangible capital assets	829,524	12,032	841,556
Amortization adjustment	-	13,470	13,470
Proceeds on sale of tangible capital assets	20,971	(19,971)	1,000
Gain on disposal of tangible capital assets	-	4,852	4,852
	<u>218,749</u>	<u>(140,316)</u>	<u>78,433</u>
Non-financial assets			
Change in prepaid expense	(12,692)	10,870	(1,822)
Change in Ottawa Trust Funds	5,165	(5,165)	-
Equity change in long term investments	<u>(115,701)</u>	<u>115,701</u>	<u>-</u>
	(123,228)	121,406	(1,822)
Transfer to from surplus	<u>(36,573)</u>	<u>36,573</u>	<u>-</u>
	-	-	-
(Decrease) increase in net financial assets	<u>(12,076)</u>	<u>(362,488)</u>	<u>350,412</u>
Net financial debt at the beginning of the year	(2,213,295)		(2,213,295)
Prior period adjustment (note 19 b)	<u>-</u>		<u>(497,509)</u>
Net financial debt at the beginning of the year as restated	<u>-</u>		<u>(2,710,804)</u>
Net financial debt at the end of the year	<u>\$ (2,225,371)</u>		<u>\$ (2,360,392)</u>

Tl'etinqox Government
Financial Statements
For the year ended March 31, 2018

19. PRIOR PERIOD ADJUSTMENTS, continued

STATEMENT OPERATIONS
For the year ended March 31, 2017

	<u>As Previously Reported</u>	<u>Correction of Errors</u>	<u>Reclass</u>	<u>As Restated</u>
Revenue (Note 18)				
Indigenous and Northern Affairs Canada (note 19 b)	\$ 4,236,822	\$ 202,997	\$ -	\$ 4,439,819
Province of British Columbia	-	-	780,173	780,173
Gas Bar sales	1,797,701	-	(2,849)	1,794,852
First Nations Health Authority (note 19 b)	1,312,179	370,517	138,445	1,821,141
Forest Resource Opportunity	801,987	-	(801,987)	-
First Nations Education Steering Committee	453,763	-	(70,868)	382,895
Income in investment in business enterprises	-	-	167,823	167,823
Other income (note 19 b)	649,592	(97,067)	(267,240)	285,285
Administration recovery	(54,122)	-	54,122	-
Rental revenue	147,922	-	2,110	150,032
CCATEC	76,799	-	10,573	87,372
Canada Mortgage and Housing Corporation	8,000	-	-	8,000
Interest	304	-	1,595	1,899
Net relationship trust	-	-	45,000	45,000
Sponsorship	-	-	44,001	44,001
Travel reimbursements	21,510	-	(21,510)	-
Culture camp	26,358	-	(26,358)	-
Fundraising	48,178	-	(48,178)	-
Loss on disposal of tangible capital assets	-	-	(4,852)	(4,852)
	<u>\$ 9,526,993</u>	<u>\$ 476,447</u>	<u>\$ -</u>	<u>\$ 10,003,440</u>

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19. PRIOR PERIOD ADJUSTMENTS, continued

STATEMENT OPERATIONS
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	As Previously Reported	Correction of Errors	Reclass	As Restated
Expenses (Note 14 and 18)				
Band administration	\$ 1,958,559	\$ -	\$ (882,328)	\$ 1,076,231
Education	2,274,616	-	(137,135)	2,137,481
Social development	817,831	-	332,874	1,150,705
Capital projects and public works (note 19 a)	736,511	12,027	707,181	1,455,719
Housing	655,055	-	(92,737)	562,318
Own source (note 19 c)	-	76,241	-	76,241
Health	1,433,773	-	(355,113)	1,078,660
Natural resources (note 19 c)	(62,593)	21,400	460,119	418,926
Gas bar expenses (note 19 c)	1,784,263	21,956	(32,861)	1,773,358
	<u>9,598,015</u>	<u>131,624</u>	<u>-</u>	<u>9,729,639</u>
Annual (deficit) surplus	<u>(71,022)</u>	<u>\$ 344,823</u>	<u>\$ -</u>	<u>273,801</u>
Accumulated surplus at beginning of the year as previously reported	16,324,093			16,324,093
Prior period adjustment (Note 19)	<u>-</u>			<u>214,912</u>
Accumulated surplus at the beginning of the year as restated	<u>-</u>			<u>16,539,005</u>
Prior year unknown difference	<u>(147,108)</u>			<u>-</u>
Accumulated surplus at the end of the year	<u><u>\$ 16,105,963</u></u>			<u><u>\$ 16,812,806</u></u>

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20. BUDGETED FIGURES

Budgeted figures have been provided for comparison purposes and have been derived from the estimates approved by the Tl'etinqox Government Band Council Resolution dated August 20, 2018.