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**NUCHATLAHT FIRST NATION**

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

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# NUCHATLAHT FIRST NATION

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YEAR ENDED MARCH 31, 2018  
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## MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

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

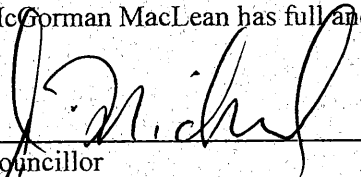
The consolidated financial statements have been prepared by management in accordance with Canadian public sector accounting standards. Financial statements are not precise since they include certain amounts based on estimates and judgments. When alternative accounting methods exist, management has chosen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

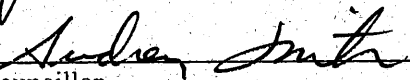
The First Nation maintains systems of internal accounting and administrative controls of high quality consistent with reasonable cost. Such systems are designed to provide reasonable assurance that the financial information is relevant, reliable and accurate and the First Nation's assets are appropriately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

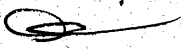
The First Nation Council is responsible for ensuring that management fulfills its responsibilities for financial reporting and is ultimately responsible for reviewing and approving the consolidated financial statements.

The First Nation Council reviews the First Nation's consolidated financial statements and management letter. The Council meets periodically with management, as well as the external auditors, to discuss internal controls over the financial reporting process, auditing matters and financial reporting issues, to satisfy themselves that each party is properly discharging their responsibilities, and to review the consolidated financial statements and the external auditors' report. The Council approves the consolidated financial statements for issuance to the members. The Council also considers, for review and approval by the members, the engagement of the external auditors.

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

  
Councillor

  
Councillor

  
Councillor

**McGORMAN**

**MacLEAN**

Chartered Professional Accountants

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## INDEPENDENT AUDITORS' REPORT

To the members  
Nuchatlaht First Nation

We have audited the accompanying consolidated statement of financial position of Nuchatlaht First Nation as at March 31, 2018 and the consolidated statements of operations, changes in net financial assets 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, we consider 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, these consolidated financial statements present fairly, in all material respects, the consolidated financial position of Nuchatlaht First Nation as at March 31, 2018 and the results of its consolidated operations, changes in net financial assets and cash flows for the year then ended in accordance with Canadian public sector accounting standards.

  
CHARTERED PROFESSIONAL ACCOUNTANTS

Parksville, Canada  
July 20, 2018

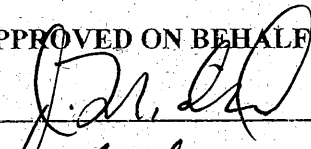
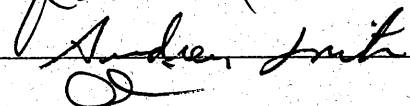

# NUCHATLAHT FIRST NATION

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

	2018	2017
<b>FINANCIAL ASSETS</b>		
Cash (note 4)	\$ 1,230,696	\$ 1,003,599
Term deposit	53,146	52,434
Funds on deposit in Ottawa Trusts (note 4)	94,874	92,450
Accounts receivable (note 5)	308,025	136,318
Investment in Hayu Fishing Limited Partnership (note 6)	814,794	595,577
Investment in 1075124 B.C. Ltd.	1	1
	2,501,536	1,880,379
<b>FINANCIAL LIABILITIES</b>		
Accounts payable and accrued liabilities	237,959	127,076
Deficit in Hayu Fishing Ltd. (note 7)	1,596	1,240
Long term debt (note 8)	1,019,449	1,066,296
	1,259,004	1,194,612
<b>NET FINANCIAL ASSETS</b>	1,242,532	685,767
<b>NON-FINANCIAL ASSETS</b>		
Deferred expenses (note 9)	25,785	28,676
Tangible capital assets (note 10)	1,966,316	1,991,891
	1,992,101	2,020,567
<b>ACCUMULATED SURPLUS</b>	\$ 3,234,633	\$ 2,706,334
<b>ACCUMULATED SURPLUS AT END OF YEAR CONSISTS OF:</b>		
Restricted (note 11)	\$ 244,588	\$ 46,811
Unrestricted	2,008,339	1,698,687
	2,252,927	1,745,498
Investment in tangible capital assets	1,851,682	1,830,812
Treaty debt deficit	(869,976)	(869,976)
	\$ 3,234,633	\$ 2,706,334

Contingent liability (note 12)

APPROVED ON BEHALF OF COUNCIL:

# NUCHATLAHT FIRST NATION

## CONSOLIDATED STATEMENT OF OPERATIONS YEAR ENDED MARCH 31, 2018

	Budget (unaudited) (note 15)	2018	2017
<b>REVENUE</b>			
Nuu-chah-nulth Tribal Council - operating	\$ 711,083	\$ 1,063,428	\$ 941,804
Nuu-chah-nulth Tribal Council - capital	-	308,345	-
Income from Hayu Fishing Limited Partnership	21,500	239,217	347,881
Western Forest Products Inc.	175,000	170,634	630,132
Fisheries licence lease	112,000	113,788	106,831
Miscellaneous revenue and recoveries	39,102	83,317	79,755
Province of British Columbia	61,666	61,666	61,666
Sport fishing charter	65,250	33,875	55,738
Nuu-chah-nulth Economic Development Corporation	-	21,911	96,507
Social Housing rents	17,528	20,880	18,180
CMHC subsidies	4,025	4,084	4,028
Loss from Hayu Fishing Ltd.	-	(356)	(214)
Aboriginal Aquaculture Association	-	-	28,800
Fisheries cooperation agreement	141,479	-	24,717
First Peoples Heritage Language and Culture Council	-	-	18,566
	1,348,633	2,120,789	2,414,391
<b>EXPENSES</b>			
Operating Fund	1,050,478	1,558,885	1,496,995
Social Housing Fund	20,660	33,605	38,451
Treaty Fund	-	-	17,587
	1,071,138	1,592,490	1,553,033
<b>ANNUAL SURPLUS</b>	<b>\$ 277,495</b>	<b>528,299</b>	<b>861,358</b>
<b>ACCUMULATED SURPLUS AT BEGINNING OF YEAR</b>		<b>2,706,334</b>	<b>1,844,976</b>
<b>ACCUMULATED SURPLUS AT END OF YEAR</b>		<b>\$ 3,234,633</b>	<b>\$ 2,706,334</b>

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**NUCHATLAHT FIRST NATION**

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**CONSOLIDATED STATEMENT OF CHANGES IN NET ASSETS  
YEAR ENDED MARCH 31, 2018**

	2018	2017
<b>SURPLUS FOR THE YEAR</b>	\$ 528,299	\$ 861,358
Acquisition of tangible capital assets	(153,293)	(307,004)
Amortization of tangible capital assets	178,868	161,000
Proceeds from disposal of tangible capital assets	-	4,500
Loss on disposal of tangible capital assets	-	11,811
Acquisition of deferred expenses	(25,785)	(28,676)
Use of deferred expenses	28,676	8,740
<b>CHANGE IN NET FINANCIAL ASSETS</b>	556,765	711,729
<b>NET FINANCIAL ASSETS (DEBT) AT BEGINNING OF YEAR</b>	685,767	(25,962)
<b>NET FINANCIAL ASSETS AT END OF YEAR</b>	\$ 1,242,532	\$ 685,767

## NUCHATLAHT FIRST NATION

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

	2018	2017
<b>OPERATING ACTIVITIES</b>		
Annual surplus	\$ 528,299	\$ 861,358
Adjust for items which do not involve cash:		
Amortization	178,868	161,000
Loss on disposal of tangible capital assets	-	11,811
	707,167	1,034,169
Changes in non-cash working capital		
Decrease (Increase)		
Accounts receivable	(171,707)	(41,339)
Increase (Decrease)		
Accounts payable and accrued liabilities	110,883	50,474
Deferred revenue	-	(24,280)
Deferred expenses	2,891	(19,936)
	(57,933)	(35,081)
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	649,234	999,088
<b>CAPITAL TRANSACTIONS</b>		
Investment in Hayu Fishing Limited Partnership	(219,217)	(331,731)
Deficit in Hayu Fishing Ltd.	356	214
Purchase of tangible capital assets	(153,293)	(307,004)
Proceeds on disposal of tangible capital assets	-	4,500
	(372,154)	(634,021)
<b>FINANCING ACTIVITIES</b>		
Repayment of long term debt	(46,847)	(19,317)
Loan proceeds	-	117,038
	(46,847)	97,721
<b>INCREASE IN CASH</b>	230,233	462,788
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>	1,148,483	685,695
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	\$ 1,378,716	\$ 1,148,483
<b>CASH AND CASH EQUIVALENTS CONSIST OF:</b>		
Cash	\$ 1,230,696	\$ 1,003,599
Term deposit	53,146	52,434
Funds on deposit in Ottawa Trusts	94,874	92,450
	\$ 1,378,716	\$ 1,148,483



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# NUCHATLAHT FIRST NATION

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

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

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

(a) Basis of consolidation

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

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

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

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

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

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

(b) Reporting entity and principles of financial reporting

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

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

Nuchatlaht First Nation government administration including special and commercial projects  
Nuchatlaht First Nation Social Housing Program  
Nuchatlaht First Nation Trust Fund  
Hayu Fishing Limited Partnership  
Hayu Fishing Ltd.  
1075124 B.C. Ltd.

All inter-entity balances have been eliminated on consolidation.

(c) Cash

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

(d) Term deposit

The term deposit is stated at cost which equals market value.

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# NUCHATLAHT FIRST NATION

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

### 1. BASIS OF PRESENTATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

- (e) Investment in Hayu Fishing Limited Partnership, Hayu Fishing Ltd. and 1075124 B.C. Ltd.

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

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

The investment in 1075124 B.C. Ltd. is accounted for using the full consolidation method of accounting for long term investments.

- (f) Deferred expenses

Deferred expenses, which consist of prepaid expenses and retainer for legal fees are recorded at cost.

- (g) Tangible capital assets

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

Buildings and social housing	-	20 - 45 years
Infrastructure	-	20 - 25 years
Vehicles	-	8 years
Boats and equipment	-	7 years
Equipment	-	5 years
Playground	-	5 years
Computer equipment	-	3 years

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

- (h) Revenue recognition

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

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

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

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# NUCHATLAHT FIRST NATION

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

### 1. BASIS OF PRESENTATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### (i) Use of estimates

The preparation of financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the amounts of assets and liabilities, disclosure of contingent assets and liabilities and the reported amounts of revenue and expenses. Significant items subject to such estimates and assumptions include valuation of accounts receivable, deferred expenses, the estimated useful life of tangible capital assets and accrued liabilities. These estimates are reviewed periodically and adjustments are made to income as appropriate in the year they become known.

#### (j) Liability for contaminated sites

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

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

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

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

### 2. FINANCIAL INSTRUMENTS

The First Nation's financial instruments consist of cash, term deposit, accounts receivable, investment in Hayu Fishing Limited Partnership, investment in 1075124 B.C. Ltd., accounts payable and accrued liabilities, deficit in Hayu Fishing Ltd. and long term debt. Unless otherwise noted, it is management's opinion that the First Nation is not exposed to significant interest, currency or credit risks arising from these financial instruments, the fair value of which approximates their carrying value. Accounts receivable are subject to credit risk as explained in note 5.

The fair market values of the investments in Hayu Fishing Limited Partnership, Hayu Fishing Ltd. and 1075124 B.C. Ltd. have not been determined and accordingly may differ from the recorded values.

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# NUCHATLAHT FIRST NATION

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

### 3. ECONOMIC DEPENDENCE

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

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

### 4. RESTRICTED CASH

#### (a) Ottawa Trust Funds

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

#### (b) Replacement Reserve

Under the terms of the agreement with Canada Mortgage and Housing Corporation (CMHC), the replacement reserve account is to be credited in the amount of \$5,120 annually for Social Housing Project II. These funds, along with the accumulated interest, must be held in separate bank accounts and/or invested only in accounts or instruments insured by the Canada Deposit Insurance Corporation or as may otherwise be approved by CMHC from time to time. The funds in the account may only be used as approved by CMHC.

The First Nation has fully complied with the agreement with CMHC for funding the reserve. At year end, \$48,293 was held in a separate bank account included in cash.

#### (c) Subsidy Surplus Reserve - Project II

Under the terms of the agreement with CMHC, excess federal assistance payments received may be retained in a subsidy surplus reserve up to a maximum of \$500 per unit plus interest. The reserve is to be comprised of monies deposited into a separate bank account and/or invested only in accounts or instruments insured by the Canada Deposit Insurance Corporation or as may otherwise be approved by CMHC from time to time. The funds in this account may only be used to meet future subsidy requirements of income-tested occupants over and above the maximum federal assistance. At year end, there were no funds in the subsidy surplus reserve for Project II.

# NUCHATLAHT FIRST NATION

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

### 5. ACCOUNTS RECEIVABLE

	2018	2017
Nuu-chah-nulth Tribal Council	\$ 289,330	\$ 15,524
Rent receivable from First Nation members	43,074	41,972
Receivable from First Nation members	10,070	27,464
Other	9,238	51,953
GST recoverable	9,107	6,263
CMHC subsidies	350	336
Province of B.C.	-	30,833
Nuu-chah-nulth Economic Development Corporation	-	31,409
	361,169	205,754
Less allowance for doubtful accounts	53,144	69,436
	\$ 308,025	\$ 136,318

The amounts receivable from First Nation members are not secured and an allowance for doubtful accounts has been recorded with respect to these amounts receivable.

### 6. INVESTMENT IN HAYU FISHING LIMITED PARTNERSHIP

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

	December 31, 2017	December 31, 2016
Cash	\$ 711,160	\$ 439,989
Term deposit	27,331	27,163
Accounts receivable	702,057	573,960
Tangible capital assets	75,692	110,411
Intangible assets	1,768,540	1,269,540
Due from partners	5,732	4,262
Prepaid expenses and deposits	-	2,550
	3,290,512	2,427,875
Accounts payable and accrued liabilities	24,926	15,103
Deferred revenue	5,744	29,895
	30,670	44,998
Partners' equity	\$ 3,259,842	\$ 2,382,877
Revenue	\$ 1,155,200	\$ 1,554,910
Expenses	198,237	163,245
Net income	\$ 956,963	\$ 1,391,665

# NUCHATLAHT FIRST NATION

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

### 7. DEFICIT IN HAYU FISHING LTD.

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

	December 31, 2017	December 31, 2016
Investment	\$ 348	\$ 253
Accounts payable and accrued liabilities	6,731	5,212
Share capital	1	1
	6,732	5,213
Deficit	\$ (6,384)	\$ (4,960)
Revenue	\$ 96	\$ 142
Expenses	1,520	999
Net loss	\$ (1,424)	\$ (857)

### 8. LONG TERM DEBT

	2018	2017
British Columbia Treaty Commission Treaty Negotiation Loan	\$ 869,976	\$ 869,976
- Interest free loan until it becomes due and payable at which time interest will be charged at a rate equal to that charged by the Consolidated Revenue Fund to provincial crown corporations		
- Loan proceeds become due and payable upon the earlier of:		
a) September 2, 2021 (extension from the previous maturity date of the twelfth (12th) anniversary of the date on which the first loan advance was made);		
b) The seventh (7th) anniversary of the date of signing of an agreement-in-principle;		
c) The date on which a treaty is signed by the parties;		
d) The date on which the agreement is terminated; or		
e) The date on which Nuu-chah-nulth Tribal Council commits an act of bankruptcy.		

# NUCHATLAHT FIRST NATION

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

### 8. LONG TERM DEBT (continued)

	<b>2018</b>	<b>2017</b>
All Nations Trust Company		
Phase II Social Housing Loan	\$ 70,123	\$ 84,436
- Interest at 1.97% compounded semi-annually		
- Renewing November 1, 2022		
- Monthly payments of \$1,309 including principal and interest		
Nuu-chah-nulth Economic Development Corporation		
Forgivable Loan	4,918	20,902
- Forgivable at a rate of one dollar for each two dollars of principal repaid on term loan		
Term Loan	39,594	55,742
- Interest at 12% per annum		
- Maturing August 1, 2021		
- Monthly payments of \$1,325 including principal and interest		
Bank of Montreal		
Term Loan	34,838	35,240
- Interest at 3.23% per annum		
- Maturing September 30, 2021		
- Monthly payments of \$176 including principal and interest		
<b>Total long term debt</b>	<b>\$ 1,019,449</b>	<b>\$ 1,066,296</b>

The Social Housing loan is secured by a ministerial guarantee from the Department of Indigenous and Northern Affairs Canada. The Nuu-chah-nulth Economic Development Corporation loans are secured by a general security agreement, an assignment of insurance on mortgaged assets (except motor vehicles) and a general assignment of book debt. The Bank of Montreal loan is secured by a promissory note and an assignment of insurance.

Assuming the British Columbia Treaty Commission Treaty Negotiation Loan and the Social Housing loan are renewed with similar terms, principal reductions over the next five years are approximately as follows:

2019	\$ 27,790
2020	29,121
2021	30,169
2022	886,428
2023	11,560

### 9. DEFERRED EXPENSES

	<b>2018</b>	<b>2017</b>
Prepaid expenses	\$ 14,330	\$ 12,872
Retainer for legal fees	11,455	15,804
	<b>\$ 25,785</b>	<b>\$ 28,676</b>

**NUCHATLAHT FIRST NATION**

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

**10. TANGIBLE CAPITAL ASSETS**

	Cost			Accumulated amortization			Net book value at end of 2018
	Balance at end of 2017	Additions	Disposals	Balance at end of 2018	Disposals	Amortization	
Land	\$ 70,500	\$ -	\$ -	\$ 70,500	\$ -	\$ -	\$ 70,500
Social Housing Buildings	385,384	-	-	385,384	-	9,175	188,945
Buildings	686,366	-	-	686,366	-	15,168	548,013
Infrastructure	2,428,257	149,568	-	2,577,825	-	94,351	1,238,917
Vehicles	15,312	-	-	15,312	-	1,914	9,698
Boats and equipment	244,981	-	-	244,981	-	34,997	81,530
Equipment	179,239	1,205	-	180,444	-	21,339	130,333
Playground	43,200	-	-	43,200	-	-	43,200
Computer equipment	33,503	2,520	-	36,023	-	1,924	33,083
	\$ 4,086,742	\$ 153,293	\$ -	\$ 4,240,035	\$ -	\$ 178,868	\$ 2,273,719
							\$ 1,966,316

	Cost			Accumulated amortization			Net book value at end of 2017
	Balance at end of 2016	Additions	Disposals	Balance at end of 2017	Disposals	Amortization	
Land	\$ 70,500	\$ -	\$ -	\$ 70,500	\$ -	\$ -	\$ 70,500
Social Housing Buildings	385,384	-	-	385,384	-	9,174	179,770
Buildings	664,169	22,197	-	686,366	-	15,555	532,845
Infrastructure	2,357,147	71,110	-	2,428,257	-	91,664	1,144,566
Vehicles	50,587	-	35,275	15,312	19,842	1,914	7,784
Boats and equipment	65,887	179,094	-	244,981	-	22,205	46,533
Equipment	145,759	33,480	-	179,239	-	18,948	108,994
Playground	43,200	-	-	43,200	-	-	43,200
Computer equipment	34,135	1,123	1,755	33,503	877	1,540	31,159
	\$ 3,816,768	\$ 307,004	\$ 37,030	\$ 4,086,742	\$ 20,719	\$ 161,000	\$ 2,094,851
							\$ 1,991,891



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# NUCHATLAHT FIRST NATION

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

### 11. RESTRICTED SURPLUS

A portion of the surplus in financial assets is classified as restricted due to the surplus being committed to specific future expenses or recoverable by the relevant funding agencies. This restricted surplus is set out on page 17 of the consolidated financial statements.

### 12. CONTINGENT LIABILITY

The First Nation is contingently liable with respect to a guarantee for the Social Housing loan with All Nations Trust Company in the amount of \$69,468.

### 13. DEFINED CONTRIBUTION PENSION PLAN

Commencing January 1, 2018 the First Nation participates in a defined contribution pension plan for its eligible employees. The plan is administered by Manulife Financial and requires a minimum contribution by employees of 3% of their earnings. The First Nation contributes 4% of employees earnings to the plan. During the year First Nation contributed \$5,943 to the plan. The plan is fully funded.

### 14. CONTRACTUAL RIGHT

The First Nation's Forest and Range Consultation and Revenue Sharing Agreement with the Province of British Columbia expired in May 2018. The new agreement with a term of three years has not been signed by the First Nation as of the date of the audit report. Once the agreement is signed, which is highly likely, the revenue for the next fiscal year to be received from the Province of British Columbia is \$62,598.

### 15. BUDGET AMOUNTS

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

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## NUCHATLAHT FIRST NATION

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

#### 16. EXPENSES BY OBJECT

	2018	2017
Accounting and administration	\$ 29,528	\$ 28,928
Amortization	178,868	161,000
Basic needs	21,114	23,402
Contracted services	390,045	260,497
Insurance	26,050	25,032
Legal fees	100,000	146,662
Other	28,169	66,192
Patient travel	26,181	47,355
Repairs and maintenance	65,261	45,414
Supplies	43,189	61,264
Support to families	70,365	45,692
Telephone	9,350	10,464
Training and workshops	10,496	30,668
Travel	98,084	86,203
Utilities	16,901	16,096
Wages and benefits	478,889	498,164
	<hr/>	<hr/>
	\$ 1,592,490	\$ 1,553,033

#### 17. SEGMENTED REPORTING

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

# NUCHATLAHT FIRST NATION

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

### 17. SEGMENTED REPORTING (continued)

PROGRAMS	Revenue	Expenses	Excess (Deficiency) of Revenue over Expenses	Fund Transfers	Program Transfers	Program Increase (Decrease)	Surplus (Deficit) at Beginning of Year	Surplus (Deficit) at End of Year
<b>Operating Fund</b>								
Administration	\$ 556,559	\$ 550,245	\$ 6,314	\$ 9,249	\$ 7,258	\$ 22,821	\$ (23,338)	\$ (517)
Band services	19,161	(5,644)	24,805	-	-	24,805	(61,305)	(36,500)
Community operations	56,622	219,985	(163,363)	114,402	4,000	(44,961)	(294,025)	(338,986)
BCCI Land	78,360	78,360	-	-	-	-	-	-
NRT - development elders	2,000	5,096	(3,096)	-	-	(3,096)	(1,524)	(4,620)
NRT - development youth	-	-	-	-	1,014	1,014	(1,014)	-
Clean up	-	-	-	-	3,769	3,769	(3,769)	-
Residential school	3,213	3,213	-	-	-	-	-	-
First Peoples Heritage Language	-	-	-	-	3,729	3,729	(3,729)	-
Social development	23,402	21,114	2,288	-	-	2,288	(4,476)	(2,188)
Education	12,301	12,301	-	-	-	-	3,509	3,509
Band owned housing	14,215	20,105	(5,890)	8,047	(4,000)	(1,843)	(5,793)	(7,636)
Health	154,386	116,099	38,287	-	-	38,287	279,568	317,855
Patient travel	22,968	22,968	-	-	-	-	(1,198)	(1,198)
Family services	37,036	37,036	-	-	-	-	(4,309)	(4,309)
National child benefit	-	-	-	-	(15,926)	(15,926)	15,926	-
Family violence prevention	1,541	1,541	-	-	-	-	(1,924)	(1,924)
Fisheries	35,132	55,619	(20,487)	10,162	-	(10,325)	(95,702)	(106,027)
Ec. development - fisheries	113,788	59,615	54,173	-	(2,033)	52,140	704,606	756,746
Sport fishing charter	55,786	72,779	(16,993)	25,585	-	8,592	6,277	14,869
Economic development	266,900	243,183	23,717	(14,119)	-	9,598	699,211	708,809
Job creation and training	-	-	-	-	2,189	2,189	(2,189)	-
Housing projects	25,023	25,023	-	-	-	-	(43,657)	(43,657)
Infrastructure	48,080	17,512	30,568	-	-	30,568	64,344	94,912
Oyster farm-old	-	-	-	-	-	-	(104,928)	(104,928)
Bridge replacement	308,345	-	308,345	(149,568)	-	158,777	-	158,777
Housing renovations	82,731	82,731	-	-	-	-	-	-
	1,917,549	1,638,881	278,668	3,758	-	282,426	1,120,561	1,402,987
<b>Social Housing Fund</b>								
Social Housing operations	24,964	16,124	8,840	-	(5,120)	3,720	(65,876)	(62,156)
Replacement reserve	-	17,481	(17,481)	12,361	5,120	-	-	-
	24,964	33,605	(8,641)	12,361	-	3,720	(65,876)	(62,156)
<b>Treaty Fund</b>	16,987	-	16,987	(16,987)	-	-	4,026	4,026
<b>Enterprise Fund</b>	238,861	-	238,861	(20,000)	-	218,861	594,337	813,198
<b>Trust Fund</b>	2,424	-	2,424	-	-	2,424	92,450	94,874
<b>Subtotal</b>	2,200,785	1,672,486	528,299	(20,868)	-	507,431	1,745,498	2,252,929
Less administration	(79,996)	(79,996)	-	-	-	-	-	-
Add capital transfers	-	-	-	20,868	-	20,868	960,836	981,704
<b>TOTAL</b>	\$ 2,120,789	\$ 1,592,490	\$ 528,299	\$ -	\$ -	\$ 528,299	\$ 2,706,334	\$ 3,234,633
<b>RESTRICTED SURPLUS (DEFICIT):</b>								
Social development							\$ (4,476)	\$ (2,188)
Housing projects							(43,657)	(43,657)
Infrastructure							64,344	94,912
Bridge replacement							-	158,777
Social Housing Fund							(65,876)	(62,156)
Treaty Fund							4,026	4,026
Trust Fund							92,450	94,874
<b>TOTAL RESTRICTED SURPLUS</b>							\$ 46,811	\$ 244,588