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**NUCHATLAHT FIRST NATION**

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**FINANCIAL STATEMENTS  
YEAR ENDED MARCH 31, 2021**

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# NUCHATLAHT FIRST NATION

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YEAR ENDED MARCH 31, 2021  
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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 control 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.



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Councillor



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Councillor

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Councillor

**McGORMAN**

**MacLEAN**

Chartered Professional Accountants

Campbell B. MacLean, Ltd.

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## INDEPENDENT AUDITORS' REPORT

To the members  
Nuchatlaht First Nation

### Opinion

We have audited the accompanying consolidated financial statements of Nuchatlaht First Nation, which comprise the consolidated statement of financial position as at March 31, 2021, and the consolidated statements of operations, changes in net financial assets and cash flows for the year then ended, and notes to the consolidated financial statements including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated statement of financial position as at March 31, 2021, and the results of its operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

### Basis of Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the First Nation in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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 financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the First Nation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the First Nation or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the First Nation's financial reporting process.

### Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements. As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the First Nation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the First Nation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the First Nation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

  
ROBINSON NADEAU  
CHARTERED PROFESSIONAL ACCOUNTANTS

Parksville, Canada  
July 16, 2021

**NUCHATLAHT FIRST NATION**


**CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT MARCH 31, 2021**

	2021	2020
<b>FINANCIAL ASSETS</b>		
Cash (note 4)	\$ 1,032,862	\$ 649,389
Funds on deposit in Ottawa Trusts (note 4)	100,881	99,356
Accounts receivable (note 5)	389,091	195,028
Investment in Hayu Fishing Limited Partnership (note 6)	1,322,713	1,169,075
Investment in 1075124 B.C. Ltd.	1	1
Investment in Nuchatlaht First Nation Community Logging Corporation	1	-
	2,845,549	2,112,849
<b>FINANCIAL LIABILITIES</b>		
Accounts payable and accrued liabilities	150,600	153,601
Deficit in Hayu Fishing Ltd. (note 7)	-	2,166
Long term debt (note 8)	356,796	99,891
	507,396	255,658
<b>NET FINANCIAL ASSETS</b>	2,338,153	1,857,191
<b>NON-FINANCIAL ASSETS</b>		
Deferred expenses (note 9)	122,340	11,318
Tangible capital assets (note 10)	2,268,403	2,067,361
	2,390,743	2,078,679
<b>ACCUMULATED SURPLUS</b>	\$ 4,728,896	\$ 3,935,870
<b>ACCUMULATED SURPLUS AT END OF YEAR CONSISTS OF:</b>		
Restricted (note 11 and 18)	\$ 947,194	\$ 822,997
Unrestricted	1,838,373	1,112,615
	2,785,567	1,935,612
Investment in tangible capital assets	1,943,329	2,000,258
	\$ 4,728,896	\$ 3,935,870


Contingent liability (note 12)

**APPROVED ON BEHALF OF COUNCIL:**

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## NUCHATLAHT FIRST NATION

### CONSOLIDATED STATEMENT OF OPERATIONS YEAR ENDED MARCH 31, 2021

	Budget (unaudited) (note 13)	2021	2020
<b>REVENUE</b>			
Nuu-chah-nulth Tribal Council - operating	\$ 830,765	\$ 1,408,717	\$ 918,127
Province of British Columbia	-	616,859	621,554
Income from Hayu Fishing Limited			
Partnership	-	208,638	237,276
Union of BC Municipalities	-	99,210	-
Miscellaneous revenue and recoveries	17,720	98,754	977,336
Department of Fisheries and Oceans	-	85,655	-
Fisheries licence lease	-	58,014	75,707
Social Housing rents	20,000	23,185	13,625
Nuu-chah-nulth Economic Development Corporation	-	12,445	12,285
Sport fishing charter	-	5,250	14,175
CMHC subsidies	-	4,196	4,196
Income (loss) from Hayu Fishing Ltd.	-	2,166	(343)
	868,485	2,623,089	2,873,938
<b>EXPENSES</b>			
Operating Fund	851,401	1,809,812	1,838,769
Social Housing Fund	20,000	20,251	23,386
Treaty Fund	-	-	97,210
	871,401	1,830,063	1,959,365
<b>ANNUAL SURPLUS (DEFICIT)</b>	\$ (2,916)	793,026	914,573
<b>ACCUMULATED SURPLUS AT BEGINNING OF YEAR</b>		3,935,870	3,021,297
<b>ACCUMULATED SURPLUS AT END OF YEAR</b>		\$ 4,728,896	\$ 3,935,870

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**NUCHATLAHT FIRST NATION**

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**CONSOLIDATED STATEMENT OF CHANGES IN NET FINANCIAL ASSETS  
YEAR ENDED MARCH 31, 2021**

	2021	2020
<b>SURPLUS FOR THE YEAR</b>	\$ 793,026	\$ 914,573
Acquisition of tangible capital assets	(450,062)	(77,304)
Amortization of tangible capital assets	249,020	230,662
Acquisition of deferred expenses	(122,340)	(11,318)
Use of deferred expenses	11,318	20,452
<b>CHANGE IN NET FINANCIAL ASSETS</b>	480,962	1,077,065
<b>NET FINANCIAL ASSETS AT BEGINNING OF YEAR</b>	1,857,191	780,126
<b>NET FINANCIAL ASSETS AT END OF YEAR</b>	\$ 2,338,153	\$ 1,857,191



## NUCHATLAHT FIRST NATION

### CONSOLIDATED STATEMENT OF CASH FLOWS YEAR ENDED MARCH 31, 2021

	2021	2020
<b>OPERATING ACTIVITIES</b>		
Annual surplus	\$ 793,026	\$ 914,573
Adjust for items that do not involve cash		
Amortization	249,020	230,662
Treaty loan forgiven	-	(869,976)
	1,042,046	275,259
Changes in non-cash working capital		
Decrease (Increase)		
Accounts receivable	(194,063)	(155,021)
Increase (Decrease)		
Accounts payable and accrued liabilities	(3,002)	(36,274)
Deferred revenue	-	(6,800)
Deferred expenses	(111,022)	9,134
	(308,087)	(188,961)
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	<b>733,959</b>	<b>86,298</b>
<b>CAPITAL TRANSACTIONS</b>		
Investment in Hayu Fishing Limited Partnership	(153,638)	(147,276)
Investment in Nuchatlaht First Nation Community Logging Corporation	(1)	-
Deficit (investment) in Hayu Fishing Ltd.	(2,166)	343
Purchase of tangible capital assets	(450,061)	(77,304)
	(605,866)	(224,237)
<b>FINANCING ACTIVITIES</b>		
Repayment of long term debt	(38,095)	(44,010)
Loan proceeds	295,000	-
	256,905	(44,010)
<b>INCREASE (DECREASE) IN CASH</b>	<b>384,998</b>	<b>(181,949)</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>	<b>748,745</b>	<b>930,694</b>
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<b>\$ 1,133,743</b>	<b>\$ 748,745</b>
<b>CASH AND CASH EQUIVALENTS CONSIST OF:</b>		
Cash	\$ 1,032,862	\$ 649,389
Funds on deposit in Ottawa Trusts	100,881	99,356
	\$ 1,133,743	\$ 748,745

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# NUCHATLAHT FIRST NATION

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## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS YEAR ENDED MARCH 31, 2021

### 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.

Nuchatlaht First Nation Community Logging Corporation

All inter-entity balances have been eliminated on consolidation.

(c) Cash

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

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# NUCHATLAHT FIRST NATION

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## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS YEAR ENDED MARCH 31, 2021

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

- (d) Investment in Hayu Fishing Limited Partnership, Hayu Fishing Ltd., 1075124 B.C. Ltd. and Nuchatlaht First Nation Community Logging Corporation

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 investments in 1075124 B.C. Ltd. and Nuchatlaht First Nation Community Logging Corporation are accounted for using the full consolidation method of accounting for long term investments.

- (e) Deferred expenses

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

- (f) Tangible capital assets

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

Buildings and social housing	-	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.

- (g) Revenue recognition

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

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

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

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# NUCHATLAHT FIRST NATION

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## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS YEAR ENDED MARCH 31, 2021

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

#### (h) Use of estimates

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

#### (i) Liability for contaminated sites

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

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

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

As at March 31, 2021 and 2020, no contaminated sites have been identified that meet the criteria outlined in the standard.

#### (j) Future changes in accounting policies

**PS 3280 Asset Retirement Obligations**, issued August 2018, establishes standards for recognition, measurement, presentation and disclosure of legal obligations associated with the retirement of tangible capital assets and is effective July 1, 2021. A liability will be recognized when, as at the financial reporting date:

- There is a legal obligation to incur retirement costs in relation to a tangible capital asset;
- The past transaction or event giving rise to the liability has occurred;
- It is expected that future economic benefits will be given up; and
- A reasonable estimate of the amount can be made.

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# NUCHATLAHT FIRST NATION

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## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS YEAR ENDED MARCH 31, 2021

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

#### (j) Future changes in accounting policies (continued)

Liabilities are recognized for statutory, contractual or legal obligations associated with the retirement of tangible capital assets when those obligations result from the acquisition, construction, development or normal operation of the assets. The obligations are measured initially at fair value, determined using present value methodology, and the resulting costs capitalized into the carrying amount of the related tangible capital asset. In subsequent periods, the liability is adjusted for accretion and any changes in the amount or timing of the underlying future cash flows. The capitalized asset retirement cost is amortized on the same basis as the related asset and accretion expense is included in the Consolidated Statement of Operations.

Management is in the process of assessing the impact of adopting this standard on the First Nation's financial results.

**PS 3400 Revenue**, issued November 2018, establishes standards on how to account for and report on revenue. Specifically, it differentiates between revenue arising from transactions that include performance obligations, referred to as "exchange transactions", and transactions that do not have performance obligations, referred to as "non-exchange transactions".

Revenue from transactions with performance obligations should be recognized when (or as) the First Nation satisfies a performance obligation by providing the promised goods or services to a payor.

Revenue from transactions with no performance obligations should be recognized when the First Nation:

- Has the authority to claim or retain an inflow of economic resources; and
- Identifies a past transaction or event that gives rise to an asset.

This standard may be applied retroactively or prospectively. Management is in the process of assessing the impact of adopting this standard on the First Nation's financial results.

### 2. FINANCIAL INSTRUMENTS

The First Nation's financial instruments consist of cash, accounts receivable, investment in Hayu Fishing Limited Partnership, investment in 1075124 B.C. Ltd., investment in Nuchatlaht First Nation Community Logging Corporation, accounts payable and accrued liabilities 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., 1075124 B.C. Ltd. and Nuchatlaht First Nation Community Logging Corporation 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, 2021

### 3. ECONOMIC DEPENDENCE

The First Nation receives the major portion of its operating revenue pursuant to a funding agreement between Nuu-chah-nulth Tribal Council, its member First Nations and Indigenous Services Canada. This 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 a funding 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, 2021

#### 5. ACCOUNTS RECEIVABLE

	2021	2020
Nuu-chah-nulth Tribal Council	\$ 285,944	\$ 183,042
Rent receivable from First Nation members	17,120	14,945
Receivable from First Nation members	14,451	12,907
GST recoverable	6,530	4,714
CMHC subsidies	350	350
Other	96,266	6,922
	420,661	222,880
Less allowance for doubtful accounts	31,570	27,852
	\$ 389,091	\$ 195,028

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, 2020 for the partnership:

	December 31, 2020	December 31, 2019
Cash	\$ 938,479	\$ 714,771
Term deposit	28,416	28,237
Accounts receivable	430,793	473,630
Tangible capital assets	24,979	46,781
Intangible assets	4,064,716	3,622,540
Due from partners	-	8,100
	5,487,383	4,894,059
Accounts payable and accrued liabilities	15,924	37,237
	\$ 5,471,459	\$ 4,856,822
Revenue	\$ 1,012,110	\$ 1,131,510
Expenses	177,477	182,310
	\$ 834,633	\$ 949,200

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## NUCHATLAHT FIRST NATION

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### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS YEAR ENDED MARCH 31, 2021

#### 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, 2020 for the company:

	December 31, 2020	December 31, 2019
Investment	\$ 619	\$ 536
Due from related parties	482	-
	1,101	536
Accounts payable and accrued liabilities	1,100	9,199
Share capital	1	1
	1,101	9,200
Deficit	\$ -	\$ (8,664)
Revenue	\$ 10,083	\$ 95
Expenses	1,419	1,468
Net income (loss)	\$ 8,664	\$ (1,373)



## NUCHATLAHT FIRST NATION

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS YEAR ENDED MARCH 31, 2021

#### 8. LONG TERM DEBT

	2021	2020
All Nations Trust Company		
Phase II Social Housing Loan	\$ 25,783	\$ 40,855
- Interest at 1.97% compounded semi-annually		
- Renewing November 1, 2022		
- Monthly payments of \$1,309 including principal and interest		
Bank of Montreal		
Term Loan	18,956	26,246
- Interest at 4.44% per annum		
- Maturing August 31, 2024		
- Monthly payments of \$692 including principal and interest		
Term Loan	31,715	32,790
- Interest at 3.23% per annum		
- Maturing September 30, 2021		
- Monthly payments of \$176 including principal and interest		
Nuu-chah-nulth Economic Development Corporation		
Forgivable Loan No.1	16,684	-
- Forgivable at a rate of one dollar for each one dollar of principal repaid on term loan No.2		
Term Loan No.2	263,659	-
- Interest at 5% per annum		
- Maturing June 1, 2025		
- Semi annual payments of \$13,000 including principal and interest		
<b>Total long term debt</b>	<b>\$ 356,797</b>	<b>\$ 99,891</b>

The Social Housing loan is secured by a ministerial guarantee from the Department of Indigenous and Northern Affairs Canada. The Bank of Montreal term loans are secured by a promissory note and an assignment of insurance. The Nuu-chah-nulth Economic Development Corporation loans are secured by a general security agreement creating first charge over the crewboat acquired and an assignment of insurance on the crewboat showing Nuu-chah-nulth Economic Development Corporation as first loss payee.

Assuming the Social Housing loan and term loans are renewed with similar terms, principal reductions over the next five years are approximately as follows:

2022	\$ 39,534
2023	33,288
2024	18,990
2025	16,399
2026	17,215

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NUCHATLAHT FIRST NATION

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
YEAR ENDED MARCH 31, 2021

9. DEFERRED EXPENSES

	2021	2020
Prepaid expenses	\$ 11,648	\$ 11,318
Retainer for legal fees	110,692	-
	\$ 122,340	\$ 11,318

# NUCHATLAHT FIRST NATION

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS YEAR ENDED MARCH 31, 2021

### 10. TANGIBLE CAPITAL ASSETS

	Cost			Accumulated amortization			Net book value at end of 2021
	Balance at end of 2020	Additions	Disposals	Balance at end of 2020	Disposals	Amortization	
Land	\$ 70,500	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 70,500
Social Housing	385,384	-	-	207,293	-	9,175	168,916
Buildings	686,366	1,773	-	578,009	-	18,663	91,467
Infrastructure	2,780,283	-	-	1,444,753	-	97,048	1,238,482
Vehicles	54,729	8,415	-	12,401	-	1,690	49,053
Boats and equipment	369,830	315,037	-	684,867	-	72,067	456,179
Equipment	298,917	124,036	-	192,900	-	44,239	185,814
Playground	43,200	-	-	43,200	-	-	-
Computer equipment	54,035	801	-	54,836	-	6,138	7,992
	\$ 4,743,244	\$ 450,062	\$ -	\$ 2,675,883	\$ -	\$ 249,020	\$ 2,924,903
							\$ 2,268,403

	Cost			Accumulated amortization			Net book value at end of 2020
	Balance at end of 2019	Additions	Disposals	Balance at end of 2019	Disposals	Amortization	
Land	\$ 70,500	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 70,500
Social Housing	385,384	-	-	198,119	-	9,174	178,091
Buildings	686,366	-	-	559,390	-	18,619	108,357
Infrastructure	2,780,283	-	-	1,340,308	-	104,445	1,335,530
Vehicles	54,729	-	-	11,237	-	1,164	42,328
Boats and equipment	382,501	12,854	-	125,741	25,525	56,405	213,209
Equipment	242,402	56,515	-	158,174	-	34,726	106,017
Playground	43,200	-	-	43,200	-	-	-
Computer equipment	46,100	7,935	-	34,577	-	6,129	13,329
	\$ 4,691,465	\$ 77,304	\$ 25,525	\$ 2,470,746	\$ 25,525	\$ 230,662	\$ 2,067,361
							\$ 2,675,883

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# NUCHATLAHT FIRST NATION

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## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS YEAR ENDED MARCH 31, 2021

### 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 21 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 \$26,319.

### 13. BUDGET AMOUNTS

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

### 14. 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, the First Nation contributed \$13,188 to the plan. The plan is fully funded.

### 15. CONTRACTUAL RIGHT

The First Nation's Forest and Range Consultation and Revenue Sharing Agreement with the Province of British Columbia commenced May 5, 2018. The revenue for the next fiscal year to be received from the Province of British Columbia is estimated at \$66,664.

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## NUCHATLAHT FIRST NATION

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### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS YEAR ENDED MARCH 31, 2021

#### 16. EXPENSES BY OBJECT

	2021	2020
Accounting and administration	\$ 28,328	\$ 27,886
Amortization	249,020	234,977
Basic needs	48,053	42,761
Community support payments	292,029	-
Contracted services	240,407	149,242
Honoraria	11,000	-
Insurance	44,082	39,509
Legal fees	196,403	562,277
Other	47,005	22,600
Patient travel	18,295	33,008
Repairs and maintenance	40,412	60,962
Supplies	67,342	80,779
Support to families	59,492	64,984
Telephone	15,767	16,291
Training and workshops	1,000	33,620
Travel	22,357	82,782
Utilities	8,039	6,176
Wages and benefits	441,032	501,511
	<hr/>	<hr/>
	\$ 1,830,063	\$ 1,959,365

#### 17. FINANCIAL IMPACTS OF COVID-19

In March 2020, the World Health Organization declared a global pandemic due to the novel coronavirus (COVID-19). It is not possible to reliably estimate the impact that the severity and length of the pandemic will have on the financial results of the First Nation in future periods.

#### 18. SEGMENTED REPORTING

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

# NUCHATLAHT FIRST NATION

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS YEAR ENDED MARCH 31, 2021

### 18. SEGMENTED REPORTING (continued)

PROGRAMS	Revenue	Expenses	Excess (Deficiency) of Revenue over		Program Transfers	Program Increase (Decrease)	Surplus (Deficit) at Beginning of Year	Surplus (Deficit) at End of Year
			Expenses	Fund Transfers				
<b>Operating Fund</b>								
Administration	\$ 599,131	\$ 228,242	\$ 370,889	\$ 12,937	\$ 55,000	\$ 438,826	\$ (976,820)	\$ (537,994)
Band services	16,148	28,294	(12,146)	-	-	(12,146)	(60,612)	(72,758)
Community operations	14,135	203,128	(188,993)	128,046	-	(60,947)	(418,112)	(479,059)
BCCI project	-	7,339	(7,339)	-	-	(7,339)	7,339	-
NRT - development elders	-	-	-	-	-	-	(8,426)	(8,426)
Gaming revenue sharing	520,195	286,119	234,076	(41,472)	-	192,604	-	192,604
Emergency support	24,210	15,070	9,140	(9,410)	-	-	-	-
Residential school	3,694	3,694	-	-	-	-	-	-
Safe reopening	18,249	10,813	7,436	(7,436)	-	-	-	-
Community support	131,218	131,218	-	-	-	-	-	-
CFS prevention project	155,000	131,600	23,400	-	-	23,400	-	23,400
LEDSP	27,000	27,000	-	-	-	-	-	-
Emergency management	47,000	47,000	-	-	-	-	-	-
Perimeter security	15,200	15,200	-	-	-	-	-	-
Need base	7,920	7,920	-	-	-	-	-	-
Social development	78,361	48,053	30,308	-	-	30,308	(36,158)	(5,850)
Education	12,780	12,780	-	-	-	-	3,509	3,509
Band owned housing	16,563	35,382	(18,819)	15,373	-	(3,446)	(1,599)	(5,045)
Health	106,115	80,172	25,943	(21,800)	-	4,143	334,446	338,589
Healthy child development	4,789	4,789	-	-	-	-	-	-
Brighter futures	26,536	26,536	-	-	-	-	-	-
NNADAP	19,931	19,931	-	-	-	-	-	-
Healthy living	20,524	20,524	-	-	-	-	-	-
Planning and management	16,768	16,768	-	-	-	-	-	-
Facilities operations	11,655	11,655	-	-	-	-	-	-
Patient travel	14,602	14,602	-	-	-	-	(1,198)	(1,198)
Family services	62,000	62,000	-	-	-	-	(4,309)	(4,309)
Covid-19 IA service	16,380	16,380	-	-	-	-	-	-
Family violence prevention	1,486	1,486	-	-	-	-	(1,924)	(1,924)
Fisheries	127,645	134,938	(7,293)	1,172	-	(6,121)	(220,512)	(226,633)
Ec. development - fisheries	94,004	82,582	11,422	-	-	11,422	659,392	670,814
Marine mammal response	49,665	62,971	(13,306)	-	-	(13,306)	25,186	11,880
Sport fishing charter	17,695	35,390	(17,695)	(20,481)	-	(38,176)	(26,190)	(64,366)
Economic development	72,287	30,977	41,310	-	-	41,310	757,230	798,540
Job creation and training	-	-	-	-	-	-	(3,303)	(3,303)
Scallops farm	-	-	-	-	-	-	(10,190)	(10,190)
Housing projects	26,313	26,313	-	-	-	-	(43,657)	(43,657)
Infrastructure	94,053	26,310	67,743	-	-	67,743	133,377	201,120
Tsunami preparedness	75,000	75,000	-	-	-	-	(3,273)	(3,273)
Bridge replacement	-	-	-	-	-	-	(30,182)	(30,182)
Oyster farm - old	-	-	-	-	-	-	(104,928)	(104,928)
	2,544,252	1,988,176	556,076	56,929	55,000	668,005	(30,914)	637,091
<b>Social Housing Fund</b>								
Social Housing operations	27,381	18,133	9,248	-	(5,120)	4,128	(64,002)	(59,874)
Replacement reserve	-	2,118	(2,118)	-	5,120	3,002	-	3,002
	27,381	20,251	7,130	-	-	7,130	(64,002)	(56,872)
<b>Treaty Fund</b>								
	17,491	-	17,491	-	-	17,491	764,263	781,754
<b>Enterprise Fund</b>								
	210,804	-	210,804	-	(55,000)	155,804	1,166,909	1,322,713
<b>Trust Fund</b>								
	1,525	-	1,525	-	-	1,525	99,356	100,881
<b>Subtotal</b>	2,801,453	2,008,427	793,026	56,929	-	849,955	1,935,612	2,785,567
Less administration	(178,364)	(178,364)	-	-	-	-	-	-
Add capital transfers	-	-	-	(56,929)	-	(56,929)	2,000,258	1,943,329
<b>TOTAL</b>	\$ 2,623,089	\$ 1,830,063	\$ 793,026	\$ -	\$ -	\$ 793,026	\$ 3,935,870	\$ 4,728,896

**NUCHATLAHT FIRST NATION**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
YEAR ENDED MARCH 31, 2021**

**18. SEGMENTED REPORTING (continued)**

<b>PROGRAMS</b>	<b>Surplus (Deficit) at Beginning of Year</b>	<b>Surplus (Deficit) at End of Year</b>
<b>RESTRICTED SURPLUS (DEFICIT):</b>		
Social development	\$ (36,158)	\$ (5,850)
Housing projects	(43,657)	(43,657)
Infrastructure	133,377	201,120
Bridge replacement	(30,182)	(30,182)
Social Housing Fund	(64,002)	(56,872)
Treaty Fund	764,263	781,754
Trust Fund	99,356	100,881
<b>TOTAL RESTRICTED SURPLUS</b>	<b>\$ 822,997</b>	<b>\$ 947,194</b>

