
NUCHATLAHT FIRST NATION

**FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2022**

NUCHATLAHT FIRST NATION

YEAR ENDED MARCH 31, 2022
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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.

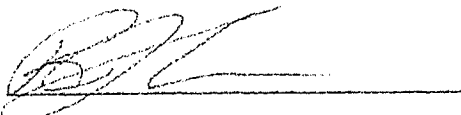
The consolidated financial statements have been prepared by management in accordance with Canadian public sector accounting standards. Financial statements are not precise since they include certain amounts based on estimates and judgments. When alternative accounting methods exist, management has chosen 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.

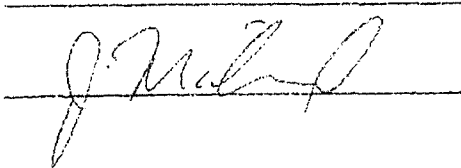
The First Nation Council is responsible for ensuring that management fulfills its responsibilities for financial reporting and is ultimately responsible for reviewing and approving the consolidated financial statements.

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.







McGORMAN

MacLEAN

Chartered Professional Accountants

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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, 2022, 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 and other explanatory information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated statement of financial position as at March 31, 2022, and the results of its operations, changes in net financial assets and 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.


CHARTERED PROFESSIONAL ACCOUNTANTS

Parksville, Canada
July 15, 2022

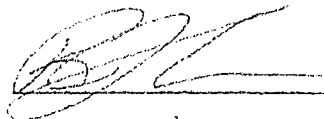
NUCHATLAHT FIRST NATION

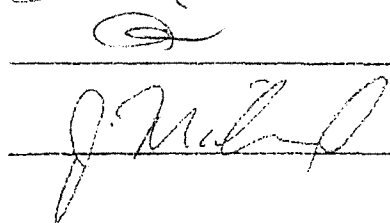
CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT MARCH 31, 2022

	2022	2021
FINANCIAL ASSETS		
Cash (note 4)	\$ 3,228,171	\$ 1,032,862
Funds on deposit in Ottawa Trusts (note 4)	103,187	100,881
Accounts receivable (note 5)	456,111	389,091
Investment in Hayu Fishing Limited Partnership (note 6)	1,475,500	1,322,713
Investment in 1075124 B.C. Ltd.	1	1
Investment in Nuchatlaht First Nation Community Logging Corporation	1	1
	5,262,971	2,845,549
FINANCIAL LIABILITIES		
Accounts payable and accrued liabilities	249,281	150,600
Deferred revenue (note 7)	99,000	-
Deficit in Hayu Fishing Ltd. (note 8)	142	-
Long term debt (note 9)	338,854	356,796
	687,277	507,396
NET FINANCIAL ASSETS	4,575,694	2,338,153
NON-FINANCIAL ASSETS		
Deferred expenses (note 10)	434,872	122,340
Tangible capital assets (note 11)	2,089,979	2,268,403
	2,524,851	2,390,743
ACCUMULATED SURPLUS	\$ 7,100,545	\$ 4,728,896
ACCUMULATED SURPLUS AT END OF YEAR CONSISTS OF:		
Restricted (note 12 and 19)	\$ 1,098,292	\$ 947,194
Unrestricted	4,156,550	1,838,373
	5,254,842	2,785,567
Investment in tangible capital assets	1,845,703	1,943,329
	\$ 7,100,545	\$ 4,728,896

Contingent liability (note 13)

APPROVED ON BEHALF OF COUNCIL:





NUCHATLAHT FIRST NATION

CONSOLIDATED STATEMENT OF OPERATIONS YEAR ENDED MARCH 31, 2022

	Budget (unaudited) (note 14)	2022	2021
REVENUE			
Logging income	\$ -	\$ 2,799,052	\$ -
Nuu-chah-nulth Tribal Council - operating	830,765	1,379,936	1,408,717
Province of British Columbia	-	387,016	616,859
Income from Hayu Fishing Limited			
Partnership	-	252,787	208,638
NDN Collective	-	123,776	-
Miscellaneous revenue and recoveries	17,720	99,186	98,754
Union of BC Municipalities	-	93,725	99,210
First Nations Education Steering Committee	-	89,002	-
Nuu-chah-nulth Economic Development Corporation	-	72,004	12,445
First Nations Health Authority	-	70,000	-
Fisheries licence lease	-	55,850	58,014
CMHC subsidies	-	47,303	4,196
Sport fishing charter	-	35,010	5,250
Department of Fisheries and Oceans	-	27,125	85,655
Social Housing rents	20,000	21,420	23,185
Income (loss) from Hayu Fishing Ltd.	-	(142)	2,166
	868,485	5,553,050	2,623,089
EXPENSES			
Operating Fund	851,401	3,143,716	1,809,812
Social Housing Fund	20,000	36,191	20,251
Treaty Fund	-	1,494	-
	871,401	3,181,401	1,830,063
ANNUAL SURPLUS (DEFICIT)	\$ (2,916)	2,371,649	793,026
ACCUMULATED SURPLUS AT BEGINNING OF YEAR		4,728,896	3,935,870
ACCUMULATED SURPLUS AT END OF YEAR		\$ 7,100,545	\$ 4,728,896

NUCHATLAHT FIRST NATION

CONSOLIDATED STATEMENT OF CHANGES IN NET FINANCIAL ASSETS YEAR ENDED MARCH 31, 2022

	2022	2021
SURPLUS FOR THE YEAR	\$ 2,371,649	\$ 793,026
Acquisition of tangible capital assets	(133,126)	(450,061)
Amortization of tangible capital assets	303,660	249,020
Proceeds from disposal of tangible capital assets	2,500	-
Loss on disposal of tangible capital assets	5,390	-
Acquisition of deferred expenses	(434,872)	(122,340)
Use of deferred expenses	122,340	11,317
CHANGE IN NET FINANCIAL ASSETS	2,237,541	480,962
NET FINANCIAL ASSETS AT BEGINNING OF YEAR	2,338,153	1,857,191
NET FINANCIAL ASSETS AT END OF YEAR	\$ 4,575,694	\$ 2,338,153

NUCHATLAHT FIRST NATION

CONSOLIDATED STATEMENT OF CASH FLOWS YEAR ENDED MARCH 31, 2022

	2022	2021
OPERATING ACTIVITIES		
Annual surplus	\$ 2,371,649	\$ 793,026
Adjust for items that do not involve cash:		
Amortization	303,660	249,020
Loss on disposal of tangible capital assets	5,390	-
	2,680,699	1,042,046
Changes in non-cash working capital		
Decrease (Increase)		
Accounts receivable	(67,020)	(194,063)
Deferred expenses	(312,532)	(111,022)
Increase (Decrease)		
Accounts payable and accrued liabilities	98,681	(3,002)
Deferred revenue	99,000	-
	(181,871)	(308,087)
CASH FLOWS FROM OPERATING ACTIVITIES	2,498,828	733,959
CAPITAL TRANSACTIONS		
Investment in Hayu Fishing Limited Partnership	(152,787)	(153,638)
Investment in Nuchatlaht First Nation Community Logging Corporation	-	(1)
Deficit (investment) in Hayu Fishing Ltd.	142	(2,166)
Purchase of tangible capital assets	(133,126)	(450,061)
Proceeds on disposal of tangible capital assets	2,500	-
	(283,271)	(605,866)
FINANCING ACTIVITIES		
Repayment of long term debt	(97,942)	(38,095)
Loan proceeds	80,000	295,000
	(17,942)	256,905
INCREASE IN CASH	2,197,615	384,998
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	1,133,743	748,745
CASH AND CASH EQUIVALENTS AT END OF YEAR	\$ 3,331,358	\$ 1,133,743
CASH AND CASH EQUIVALENTS CONSIST OF:		
Cash	\$ 3,228,171	\$ 1,032,862
Funds on deposit in Ottawa Trusts	103,187	100,881
	\$ 3,331,358	\$ 1,133,743

NUCHATLAHT FIRST NATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS YEAR ENDED MARCH 31, 2022

1. BASIS OF PRESENTATION AND 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.

NUCHATLAHT FIRST NATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS YEAR ENDED MARCH 31, 2022

1. BASIS OF PRESENTATION AND 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, down deposit on materials 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.

NUCHATLAHT FIRST NATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS YEAR ENDED MARCH 31, 2022

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, 2022 and 2021, no contaminated sites have been identified that meet the criteria outlined in the standard.

2. FINANCIAL INSTRUMENTS

The First Nation's financial instruments consist of cash, accounts receivable, 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, 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., 1075124 B.C. Ltd. and Nuchatlaht First Nation Community Logging Corporation have not been determined and accordingly may differ from the recorded values.

NUCHATLAHT FIRST NATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS YEAR ENDED MARCH 31, 2022

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, 2022

5. ACCOUNTS RECEIVABLE

	2022	2021
Nuu-chah-nulth Tribal Council	\$ 277,307	\$ 285,944
CMHC	21,903	350
Receivable from First Nation members	21,017	14,451
GST recoverable	7,788	6,530
Rent receivable from First Nation members	6,066	17,120
Other	149,113	96,266
	483,194	420,661
Less allowance for doubtful accounts	27,083	31,570
	\$ 456,111	\$ 389,091

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, 2021 for the partnership:

	December 31, 2021	December 31, 2020
Cash	\$ 875,506	\$ 938,479
Term deposit	28,251	28,416
Accounts receivable	738,251	430,793
Tangible capital assets	9,419	24,979
Intangible assets	4,652,004	4,064,716
Prepaid expenses and deposits	16,315	-
	6,319,746	5,487,383
Accounts payable and accrued liabilities	17,038	15,926
Partners' equity	\$ 6,302,708	\$ 5,471,457
Revenue	\$ 1,150,344	\$ 1,012,830
Expenses	139,093	178,198
Net income	\$ 1,011,251	\$ 834,632

NUCHATLAHT FIRST NATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS YEAR ENDED MARCH 31, 2022

7. DEFERRED REVENUE

	2022	2021
Government of Canada	\$ 99,000	\$ -

8. 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, 2021 for the company:

	December 31, 2021	December 31, 2020
Investment	\$ 721	\$ 619
Due from related parties	15	482
	736	1,101
Accounts payable and accrued liabilities	1,301	1,100
Share capital	1	1
	1,302	1,101
Deficit	\$ (566)	\$ -
Revenue	\$ 1,101	\$ 10,083
Expenses	1,667	1,419
Net income (loss)	\$ (566)	\$ 8,664

NUCHATLAHT FIRST NATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS YEAR ENDED MARCH 31, 2022

9. LONG TERM DEBT

	2022	2021
All Nations Trust Company		
Phase II Social Housing Loan	\$ 10,413	\$ 25,783
- 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	-	18,955
- Interest at 4.44% per annum		
- Monthly payments of \$692 including principal and interest		
- Paid in full during the year		
Term Loan	30,598	31,715
- Interest at 3.23% per annum		
- Maturing September 30, 2026		
- 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		
- Forgiven in full during the year		
Term Loan No.2	233,863	263,659
- Interest at 5% per annum		
- Maturing June 1, 2025		
- Semi-annual payments of \$13,000 including principal and interest		
Emergency Loan Program	63,980	-
- Interest-free loans No. 2021659V and No. 2021660V		
- Maturing March 31, 2025		
- Monthly payments of \$890 on each loan		
Total long term debt	\$ 338,854	\$ 356,796

The Social Housing loan is secured by a ministerial guarantee from the Department of Indigenous and Northern Affairs Canada. The Bank of Montreal term loan is secured by a promissory note and an assignment of insurance. The Nuu-chah-nulth Economic Development Corporation term loan No.2 is 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. The Nuu-chah-nulth Economic Development Corporation loans No. 2021659V and No. 2021660V are secured by promissory notes.

NUCHATLAHT FIRST NATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS YEAR ENDED MARCH 31, 2022

9. LONG TERM DEBT (continued)

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

2023	\$ 46,681
2024	36,982
2025	37,659
2026	17,188
2027	17,990

10. DEFERRED EXPENSES

	2022	2021
Deposit on materials	\$ 63,860	\$ -
Prepaid expenses	11,900	11,648
Retainer for legal fees	359,112	110,692
	\$ 434,872	\$ 122,340

NUCHATLAHT FIRST NATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS YEAR ENDED MARCH 31, 2022

11. TANGIBLE CAPITAL ASSETS

	Cost				Accumulated amortization				Net book value at end of 2022
	Balance at end of 2021	Additions	Disposals	Balance at end of 2022	Disposals	Amortization	Balance at end of 2022		
Land	\$ 70,500	\$ -	\$ -	\$ 70,500	\$ -	\$ -	\$ -	\$ 70,500	
Social Housing Buildings	385,384	-	-	385,384	-	9,175	225,643	159,741	
Infrastructure	688,139	-	-	688,139	-	18,834	615,506	72,633	
Vehicles	2,780,283	-	-	2,780,283	-	94,243	1,636,044	1,144,239	
Boats and equipment	63,144	43,994	8,415	98,723	-	21,112	34,678	64,045	
Equipment	684,867	16,855	-	701,722	-	94,451	323,139	378,583	
Playground	422,953	72,277	-	495,230	-	59,574	296,713	198,517	
Computer equipment	43,200	-	-	43,200	-	-	43,200	-	
	54,836	-	-	54,836	-	6,271	53,115	1,721	
	\$ 5,193,306	\$ 133,126	\$ 8,415	\$ 5,318,017	\$ 8,415	\$ 303,660	\$ 3,228,038	\$ 2,089,979	

	Cost				Accumulated amortization				Net book value at end of 2021
	Balance at end of 2020	Additions	Disposals	Balance at end of 2021	Disposals	Amortization	Balance at end of 2021		
Land	\$ 70,500	\$ -	\$ -	\$ 70,500	\$ -	\$ -	\$ -	\$ 70,500	
Social Housing Buildings	385,384	-	-	385,384	-	9,175	216,468	168,916	
Infrastructure	686,366	1,773	-	688,139	-	18,663	596,672	91,467	
Vehicles	2,780,283	-	-	2,780,283	-	97,048	1,541,801	1,238,482	
Boats and equipment	54,729	8,415	-	63,144	-	1,690	14,091	49,053	
Equipment	369,830	315,037	-	684,867	-	72,067	228,688	456,179	
Playground	298,917	124,036	-	422,953	-	44,239	237,139	185,814	
Computer equipment	43,200	-	-	43,200	-	-	43,200	-	
	54,035	801	-	54,836	-	6,138	46,844	7,992	
	\$ 4,743,244	\$ 450,062	\$ -	\$ 5,193,306	\$ -	\$ 249,020	\$ 2,924,903	\$ 2,268,403	

NUCHATLAHT FIRST NATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS YEAR ENDED MARCH 31, 2022

12. 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 20 of the consolidated financial statements.

13. 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 \$10,413.

14. BUDGET AMOUNTS

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

15. 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 \$13,615 to the plan. The plan is fully funded.

16. 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 \$102,128.

NUCHATLAHT FIRST NATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS YEAR ENDED MARCH 31, 2022

17. EXPENSES BY OBJECT

	2022	2021
Accounting and administration	\$ 29,168	\$ 28,328
Amortization	303,660	249,020
Basic needs	17,117	48,053
Community support payments	201,274	292,029
Contracted services	329,150	240,407
Honoraria	16,000	11,000
Insurance	46,001	44,082
Legal fees	1,458,821	196,403
Other	53,888	47,005
Patient travel	22,831	18,295
Repairs and maintenance	67,892	40,412
Supplies	62,837	67,342
Support to families	40,252	59,492
Telephone	12,375	15,767
Training and workshops	23,392	1,000
Travel	45,262	22,357
Utilities	5,565	8,039
Wages and benefits	445,916	441,032
	\$ 3,181,401	\$ 1,830,063

18. 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.

19. 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, 2022

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				
Operating Fund								
Administration	\$ 587,294	\$ 189,282	\$ 398,012	\$ (53,822)	\$ 100,000	\$ 444,190	\$ (537,994)	\$ (93,804)
Band services	11,000	40,574	(29,574)	-	-	(29,574)	(72,758)	(102,332)
Community operations	9,814	240,662	(230,848)	166,941	-	(63,907)	(479,059)	(542,966)
NRT - development elders	-	-	-	-	-	-	(8,426)	(8,426)
Safe restart	3,878	3,878	-	-	-	-	-	-
UBCM Fire smart	3,103	3,145	(42)	-	-	(42)	-	(42)
Gaming revenue sharing	295,907	488,511	(192,604)	-	-	(192,604)	192,604	-
Emergency support	24,542	24,542	-	-	-	-	-	-
Residential school	2,167	2,167	-	-	-	-	-	-
NDN Collective	123,776	123,776	-	-	-	-	-	-
Safe reopening	20,000	20,000	-	-	-	-	-	-
LEDSP	27,000	27,000	-	-	-	-	-	-
CFS prevention project	205,000	206,203	(1,203)	(22,197)	-	(23,400)	23,400	-
Emergency management	117,472	117,472	-	-	-	-	-	-
Need base	12,880	12,880	-	-	-	-	-	-
P&ID leadership	21,825	21,825	-	-	-	-	-	-
Social development	48,053	17,117	30,936	-	-	30,936	(5,850)	25,086
Covid 19	5,325	5,325	-	-	-	-	-	-
Social development support	8,151	8,151	-	-	-	-	-	-
Education	12,588	12,588	-	-	-	-	3,509	3,509
Band owned housing	16,024	27,848	(11,824)	15,500	-	3,676	(5,045)	(1,369)
Health	246,188	182,649	63,539	(2,299)	-	61,240	338,589	399,829
Other health programs	100,101	100,101	-	-	-	-	-	-
Patient travel	20,664	20,664	-	-	-	-	(1,198)	(1,198)
Family services	62,000	62,000	-	-	-	-	(4,309)	(4,309)
Family violence prevention	2,045	2,045	-	-	-	-	(1,924)	(1,924)
Fisheries	104,425	141,863	(37,438)	(3,043)	-	(40,481)	(226,633)	(267,114)
Ec. development - fisheries	55,850	57,581	(1,731)	(6,810)	-	(8,541)	670,814	662,273
Marine mammal response	27,125	39,005	(11,880)	-	-	(11,880)	11,880	-
Sport fishing charter	107,014	47,061	59,953	3,356	-	63,309	(64,366)	(1,057)
Economic development	2,868,261	904,715	1,963,546	-	-	1,963,546	798,540	2,762,086
Job creation and training	-	-	-	-	-	-	(3,303)	(3,303)
Scallops farm	-	-	-	-	-	-	(10,190)	(10,190)
Housing projects	26,768	26,768	-	-	-	-	(43,657)	(43,657)
Infrastructure	110,822	41,674	69,148	-	-	69,148	201,120	270,268
Tsunami preparedness	66,080	66,080	-	-	-	-	(3,273)	(3,273)
CAIS	13,732	13,732	-	-	-	-	-	-
O&M water top up	15,086	15,086	-	-	-	-	-	-
Bridge replacement	-	-	-	-	-	-	(30,182)	(30,182)
Oyster farm - old	-	-	-	-	-	-	(105,198)	(105,198)
	5,381,960	3,313,970	2,067,990	97,626	100,000	2,265,616	637,091	2,902,707
Social Housing Fund								
Social Housing operations	68,723	18,379	50,344	-	(48,226)	2,118	(59,874)	(57,756)
Replacement reserve	-	17,812	(17,812)	-	48,226	30,414	3,002	33,416
	68,723	36,191	32,532	-	-	32,532	(56,872)	(24,340)
Treaty Fund	17,671	1,494	16,177	-	-	16,177	781,754	797,931
Enterprise Fund	252,645	-	252,645	-	(100,000)	152,645	1,322,713	1,475,358
Trust Fund	2,305	-	2,305	-	-	2,305	100,881	103,186
Subtotal	5,723,304	3,351,655	2,371,649	97,626	-	2,469,275	2,785,567	5,254,842
Less administration	(170,254)	(170,254)	-	-	-	-	-	-
Add capital transfers	-	-	-	(97,626)	-	(97,626)	1,943,329	1,845,703
TOTAL	\$ 5,553,050	\$ 3,181,401	\$ 2,371,649	\$ -	\$ -	\$ 2,371,649	\$ 4,728,896	\$ 7,100,545

NUCHATLAHT FIRST NATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS YEAR ENDED MARCH 31, 2022

18. SEGMENTED REPORTING (continued)

PROGRAMS	Surplus (Deficit) at Beginning of Year	Surplus (Deficit) at End of Year
RESTRICTED SURPLUS (DEFICIT):		
Social development	\$ (5,850)	\$ 25,086
Housing projects	(43,657)	(43,657)
Infrastructure	201,120	270,268
Bridge replacement	(30,182)	(30,182)
Social Housing Fund	(56,872)	(24,340)
Treaty Fund	781,754	797,931
Trust Fund	100,881	103,186
TOTAL RESTRICTED SURPLUS	\$ 947,194	\$ 1,098,292