
NUCHATLAHT FIRST NATION

**FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2019**

NUCHATLAHT FIRST NATION

YEAR ENDED MARCH 31, 2019
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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

Campbell B. MacLean, Ltd.

Stana Pazicka, Inc.

Leanne M. Souchuck, Ltd.

Mark A.A. McGorman (Retired)

Tel: 250-248-3211

Fax: 250-248-4504

mcgormanmaclean.com

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 financial position as at March 31, 2019, 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 financial position as at March 31, 2019, 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.

McGowan Nelson
CHARTERED PROFESSIONAL ACCOUNTANTS

Parksville, Canada
July 26, 2019

NUCHATLAHT FIRST NATION

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT MARCH 31, 2019

	2019	2018
FINANCIAL ASSETS		
Cash (note 4)	\$ 833,271	\$ 1,230,696
Term deposit	-	53,146
Funds on deposit in Ottawa Trusts (note 4)	97,423	94,874
Accounts receivable (note 5)	40,007	308,025
Investment in Hayu Fishing Limited Partnership (note 6)	1,021,799	814,794
Investment in 1075124 B.C. Ltd.	1	1
	1,992,501	2,501,536
FINANCIAL LIABILITIES		
Accounts payable and accrued liabilities	189,875	237,959
Deferred revenue (note 7)	6,800	-
Deficit in Hayu Fishing Ltd. (note 8)	1,823	1,596
Long term debt (note 9)	1,013,877	1,019,449
	1,212,375	1,259,004
NET FINANCIAL ASSETS	780,126	1,242,532
NON-FINANCIAL ASSETS		
Deferred expenses (note 10)	20,452	25,785
Tangible capital assets (note 11)	2,220,719	1,966,316
	2,241,171	1,992,101
ACCUMULATED SURPLUS	\$ 3,021,297	\$ 3,234,633
ACCUMULATED SURPLUS AT END OF YEAR CONSISTS OF:		
Restricted (note 12 and 18)	\$ 11,947	\$ 244,588
Unrestricted	1,768,675	2,008,339
	1,780,622	2,252,927
Investment in tangible capital assets	2,110,651	1,851,682
Treaty debt deficit	(869,976)	(869,976)
	\$ 3,021,297	\$ 3,234,633

Contingent liability (note 13)

APPROVED ON BEHALF OF COUNCIL:

NUCHATLAHT FIRST NATION

CONSOLIDATED STATEMENT OF OPERATIONS YEAR ENDED MARCH 31, 2019

	Budget (unaudited) (note 14)	2019	2018
REVENUE			
Nuu-chah-nulth Tribal Council - operating	\$ 647,384	\$ 927,359	\$ 1,063,428
Income from Hayu Fishing Limited Partnership	-	232,005	239,217
Miscellaneous revenue and recoveries	30,567	114,762	83,317
Government of Canada	-	72,824	-
Fisheries licence lease	-	68,590	113,788
Province of British Columbia	61,666	62,599	61,666
Social Housing rents	24,640	20,880	20,880
Sport fishing charter	65,250	13,864	33,875
Nuu-chah-nulth Economic Development Corporation	-	11,790	21,911
CMHC subsidies	-	4,196	4,084
Nuu-chah-nulth Tribal Council - capital	-	-	308,345
Western Forest Products Inc.	-	-	170,634
Loss from Hayu Fishing Ltd.	-	(227)	(356)
	829,507	1,528,642	2,120,789
EXPENSES			
Operating Fund	886,704	1,673,548	1,558,885
Social Housing Fund	25,780	21,357	33,605
Treaty Fund	-	47,073	-
	912,484	1,741,978	1,592,490
ANNUAL SURPLUS (DEFICIT)	\$ (82,977)	(213,336)	528,299
ACCUMULATED SURPLUS AT BEGINNING OF YEAR		3,234,633	2,706,334
ACCUMULATED SURPLUS AT END OF YEAR		\$ 3,021,297	\$ 3,234,633

NUCHATLAHT FIRST NATION

**CONSOLIDATED STATEMENT OF CHANGES IN NET ASSETS
YEAR ENDED MARCH 31, 2019**

	2019	2018
SURPLUS (DEFICIT) FOR THE YEAR	\$ (213,336)	\$ 528,299
Acquisition of tangible capital assets	(451,430)	(153,293)
Amortization of tangible capital assets	197,027	178,868
Acquisition of deferred expenses	(20,452)	(25,785)
Use of deferred expenses	25,785	28,676
CHANGE IN NET FINANCIAL ASSETS	(462,406)	556,765
NET FINANCIAL ASSETS AT BEGINNING OF YEAR	1,242,532	685,767
NET FINANCIAL ASSETS AT END OF YEAR	\$ 780,126	\$ 1,242,532

NUCHATLAHT FIRST NATION

CONSOLIDATED STATEMENT OF CASH FLOWS YEAR ENDED MARCH 31, 2019

	2019	2018
OPERATING ACTIVITIES		
Annual surplus (deficit)	\$ (213,336)	\$ 528,299
Adjust for amortization which does not involve cash	197,027	178,868
	(16,309)	707,167
Changes in non-cash working capital		
Decrease (Increase)		
Accounts receivable	268,018	(171,707)
Increase (Decrease)		
Accounts payable and accrued liabilities	(48,084)	110,883
Deferred revenue	6,800	-
Deferred expenses	5,333	2,891
	232,067	(57,933)
CASH FLOWS FROM OPERATING ACTIVITIES	215,758	649,234
CAPITAL TRANSACTIONS		
Investment in Hayu Fishing Limited Partnership	(207,005)	(219,217)
Deficit in Hayu Fishing Ltd.	227	356
Purchase of tangible capital assets	(451,430)	(153,293)
	(658,208)	(372,154)
FINANCING ACTIVITIES		
Repayment of long term debt	(5,572)	(46,847)
INCREASE (DECREASE) IN CASH	(448,022)	230,233
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	1,378,716	1,148,483
CASH AND CASH EQUIVALENTS AT END OF YEAR	\$ 930,694	\$ 1,378,716
CASH AND CASH EQUIVALENTS CONSIST OF:		
Cash	\$ 833,271	\$ 1,230,696
Term deposit	-	53,146
Funds on deposit in Ottawa Trusts	97,423	94,874
	\$ 930,694	\$ 1,378,716

NUCHATLAHT FIRST NATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS YEAR ENDED MARCH 31, 2019

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.

NUCHATLAHT FIRST NATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS YEAR ENDED MARCH 31, 2019

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

(d) 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.

(e) Deferred expenses

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

Scallops farm expenses include the cost of start-up and upkeep of the farm, less contributions from the Government of Canada.

(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, 2019

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, 2019 and 2018, 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., 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.

NUCHATLAHT FIRST NATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS YEAR ENDED MARCH 31, 2019

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, 2019

5. ACCOUNTS RECEIVABLE

	2019	2018
Rent receivable from First Nation members	\$ 47,910	\$ 43,074
Nuu-chah-nulth Tribal Council	27,398	289,330
GST recoverable	12,259	9,107
Receivable from First Nation members	8,759	10,070
CMHC subsidies	350	350
Other	-	9,238
	96,676	361,169
Less allowance for doubtful accounts	56,669	53,144
	\$ 40,007	\$ 308,025

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, 2018 for the partnership:

	December 31, 2018	December 31, 2017
Cash	\$ 718,408	\$ 711,160
Term deposit	27,720	27,331
Accounts receivable	478,181	702,057
Tangible capital assets	52,537	75,692
Intangible assets	2,813,540	1,768,540
Due from partners	6,732	5,732
	4,097,118	3,290,512
Accounts payable and accrued liabilities	9,168	24,926
Deferred revenue	-	5,744
	9,168	30,670
Partners' equity	\$ 4,087,950	\$ 3,259,842
Revenue	\$ 1,090,004	\$ 1,155,200
Expenses	161,893	198,237
Net income	\$ 928,111	\$ 956,963

NUCHATLAHT FIRST NATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS YEAR ENDED MARCH 31, 2019

7. DEFERRED REVENUE

	2019	2018
BC Healthy Communities	\$ 6,800	\$ -

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, 2018 for the company:

	December 31, 2018	December 31, 2017
Investment	\$ 441	\$ 348
Accounts payable and accrued liabilities	7,731	6,731
Share capital	1	1
	7,732	6,732
Deficit	\$ (7,291)	\$ (6,384)
Revenue	\$ 93	\$ 96
Expenses	1,000	1,520
Net loss	\$ (907)	\$ (1,424)

NUCHATLAHT FIRST NATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS YEAR ENDED MARCH 31, 2019

9. LONG TERM DEBT

	2019	2018
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.		
All Nations Trust Company		
Phase II Social Housing Loan	55,631	70,123
- 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
- Forgivable at a rate of one dollar for each two dollars of principal repaid on term loan		
Term Loan	21,218	39,594
- Interest at 12% per annum		
- Maturing August 1, 2021		
- Monthly payments of \$1,325 including principal and interest		
Bank of Montreal		
Term Loan	33,222	-
- Interest at 4.44% per annum		
- Maturing August 31, 2024		
- Monthly payments of \$692 including principal and interest		
Term Loan	33,830	34,838
- Interest at 3.23% per annum		
- Maturing September 30, 2021		
- Monthly payments of \$176 including principal and interest		
Total long term debt	\$ 1,013,877	\$ 1,019,449

NUCHATLAHT FIRST NATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS YEAR ENDED MARCH 31, 2019

9. LONG TERM DEBT (continued)

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 loans are secured by a promissory note and an assignment of insurance.

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

2020	\$	37,404
2021		30,287
2022		894,053
2023		19,523
2024		4,436

10. DEFERRED EXPENSES

	2019	2018
Prepaid expenses	\$ 11,467	\$ 14,330
Scallops farm costs	8,985	-
Retainer for legal fees	-	11,455
	\$ 20,452	\$ 25,785

NUCHATLAHT FIRST NATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS YEAR ENDED MARCH 31, 2019

11. TANGIBLE CAPITAL ASSETS

	Cost				Accumulated amortization				Net book value at end of 2019
	Balance at end of 2018	Additions	Disposals	Balance at end of 2019	Disposals	Amortization	Balance at end of 2019		
Land	\$ 70,500	\$ -	\$ -	\$ 70,500	\$ -	\$ -	\$ -	\$ 70,500	
Social Housing Buildings	385,384	-	-	385,384	-	9,174	198,119	187,265	
Buildings	686,366	-	-	686,366	-	11,377	559,390	126,976	
Infrastructure	2,577,825	202,458	-	2,780,283	-	101,391	1,340,308	1,439,975	
Vehicles	15,312	39,417	-	54,729	-	1,539	11,237	43,492	
Boats and equipment	244,981	137,520	-	382,501	-	44,211	125,741	256,760	
Equipment	180,444	61,958	-	242,402	-	27,841	158,174	84,228	
Playground	43,200	-	-	43,200	-	-	43,200	-	
Computer equipment	36,023	10,077	-	46,100	-	1,494	34,577	11,523	
	\$ 4,240,035	\$ 451,430	\$ -	\$ 4,691,465	\$ -	\$ 197,027	\$ 2,470,746	\$ 2,220,719	

	Cost				Accumulated amortization				Net book value at end of 2018
	Balance at end of 2017	Additions	Disposals	Balance at end of 2018	Disposals	Amortization	Balance at end of 2018		
Land	\$ 70,500	\$ -	\$ -	\$ 70,500	\$ -	\$ -	\$ -	\$ 70,500	
Social Housing Buildings	385,384	-	-	385,384	-	9,175	188,945	196,439	
Buildings	686,366	-	-	686,366	-	15,168	548,013	138,353	
Infrastructure	2,428,257	149,568	-	2,577,825	-	94,351	1,238,917	1,338,908	
Vehicles	15,312	-	-	15,312	-	1,914	9,698	5,614	
Boats and equipment	244,981	-	-	244,981	-	34,997	81,530	163,451	
Equipment	179,239	1,205	-	180,444	-	21,339	130,333	50,111	
Playground	43,200	-	-	43,200	-	-	43,200	-	
Computer equipment	33,503	2,520	-	36,023	-	1,924	33,083	2,940	
	\$ 4,086,742	\$ 153,293	\$ -	\$ 4,240,035	\$ -	\$ 178,868	\$ 2,273,719	\$ 1,966,316	

NUCHATLAHT FIRST NATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS YEAR ENDED MARCH 31, 2019

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 19 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 \$55,538.

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 \$19,033 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 has a three-year term that commenced on May 5, 2018. The revenue for the next fiscal year to be received from the Province of British Columbia is estimated at \$61,666.

NUCHATLAHT FIRST NATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS YEAR ENDED MARCH 31, 2019

17. EXPENSES BY OBJECT

	2019	2018
Accounting and administration	\$ 27,709	\$ 29,528
Amortization	200,555	178,868
Basic needs	39,627	21,114
Contracted services	179,404	390,045
Insurance	31,216	26,050
Legal fees	181,455	100,000
Other	31,476	28,169
Patient travel	31,210	26,181
Repairs and maintenance	39,410	65,261
Supplies	112,878	43,189
Support to families	127,915	70,365
Telephone	17,227	9,350
Training and workshops	18,541	10,496
Travel	92,450	98,084
Utilities	11,527	16,901
Wages and benefits	599,378	478,889
	<u>\$ 1,741,978</u>	<u>\$ 1,592,490</u>

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, 2019

18. SEGMENTED REPORTING (continued)

PROGRAMS	Revenue	Expenses	Excess (Deficiency) of Revenue over		Fund Transfers	Program Transfers	Program Increase (Decrease)	Surplus (Deficit) at Beginning of Year	Surplus (Deficit) at End of Year
			Expenses	Expenses					
Operating Fund									
Administration	\$ 525,813	\$ 765,029	\$ (239,216)	\$ 4,843	\$ 25,000	\$ (209,373)	\$ (517)	\$ (209,890)	
Band services	19,364	36,371	(17,007)	-	-	(17,007)	(36,500)	(53,507)	
Community operations	57,629	198,707	(141,078)	120,760	-	(20,318)	(338,986)	(359,304)	
NRT - development elders	2,000	5,806	(3,806)	-	-	(3,806)	(4,620)	(8,426)	
NRT - development youth	400	400	-	-	-	-	-	-	
Residential school	3,173	3,173	-	-	-	-	-	-	
Social development	8,791	39,627	(30,836)	-	-	(30,836)	(2,188)	(33,024)	
Education	12,523	12,523	-	-	-	-	3,509	3,509	
Band owned housing	13,740	19,981	(6,241)	8,047	-	1,806	(7,636)	(5,830)	
Health	72,905	51,873	21,032	-	-	21,032	317,855	338,887	
Healthy child development	4,808	4,808	-	-	-	-	-	-	
Brighter futures	26,641	26,641	-	-	-	-	-	-	
NNADAP	20,010	20,010	-	-	-	-	-	-	
Healthy living	20,606	20,606	-	-	-	-	-	-	
Planning and management	16,835	16,835	-	-	-	-	-	-	
Facilities operations	11,655	11,655	-	-	-	-	-	-	
Patient travel	28,037	28,037	-	-	-	-	(1,198)	(1,198)	
Family services	62,000	62,000	-	-	-	-	(4,309)	(4,309)	
Family violence prevention	1,494	1,494	-	-	-	-	(1,924)	(1,924)	
Fisheries	58,352	158,642	(100,290)	22,357	-	(77,933)	(106,027)	(183,960)	
Ec. development - fisheries	68,590	63,988	4,602	(128,861)	-	(124,259)	756,746	632,487	
Sport fishing charter	25,654	48,741	(23,087)	(23,625)	-	(46,712)	14,869	(31,843)	
Economic development	62,599	42,412	20,187	(2,500)	-	17,687	708,809	726,496	
Job creation and training	6,500	9,803	(3,303)	-	-	(3,303)	-	(3,303)	
Scallops farm	75,704	75,704	-	-	-	-	-	-	
Housing projects	25,618	25,618	-	-	-	-	(43,657)	(43,657)	
Infrastructure	48,879	24,640	24,239	(13,499)	-	10,740	94,912	105,652	
Tsunami preparedness	98,516	25,240	73,276	(57,529)	-	15,747	-	15,747	
Bridge replacement	-	-	-	(188,959)	-	(188,959)	158,777	(30,182)	
Oyster farm - old	-	-	-	-	-	-	(104,928)	(104,928)	
	1,378,836	1,800,364	(421,528)	(258,966)	25,000	(655,494)	1,402,987	747,493	
Social Housing Fund									
Social Housing operations	25,076	17,481	7,595	-	(5,120)	2,475	(62,156)	(59,681)	
Replacement reserve	-	3,876	(3,876)	-	5,120	1,244	-	1,244	
	25,076	21,357	3,719	-	-	3,719	(62,156)	(58,437)	
Treaty Fund	17,220	47,073	(29,853)	-	-	(29,853)	4,026	(25,827)	
Enterprise Fund	231,778	-	231,778	-	(25,000)	206,778	813,198	1,019,976	
Trust Fund	2,548	-	2,548	-	-	2,548	94,874	97,422	
Subtotal	1,655,458	1,868,794	(213,336)	(258,966)	-	(472,302)	2,252,929	1,780,627	
Less administration	(126,816)	(126,816)	-	-	-	-	-	-	
Add capital transfers	-	-	-	258,966	-	258,966	981,704	1,240,670	
TOTAL	\$ 1,528,642	\$ 1,741,978	\$ (213,336)	\$ -	\$ -	\$ (213,336)	\$ 3,234,633	\$ 3,021,297	
RESTRICTED SURPLUS (DEFICIT):									
Social development							\$ (2,188)	\$ (33,024)	
Housing projects							(43,657)	(43,657)	
Infrastructure							94,912	105,652	
Bridge replacement							158,777	(30,182)	
Social Housing Fund							(62,156)	(58,437)	
Treaty Fund							4,026	(25,827)	
Trust Fund							94,874	97,422	
TOTAL RESTRICTED SURPLUS							\$ 244,588	\$ 11,947	