

HEILTSUK INDIAN BAND
CONSOLIDATED FINANCIAL STATEMENTS
March 31, 2022

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HEILTSUK INDIAN BAND

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

March 31, 2022

The accompanying consolidated financial statements of Heiltsuk Indian Band and all the information in this annual report for the year ended March 31, 2022 are the responsibility of management and have been approved by the Chief and 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 judgement. 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 Heiltsuk Indian Band maintains systems of internal accounting and administrative controls of high quality, consistent with reasonable cost. Such systems are designed to provide reasonable assurance that the financial information is relevant, reliable and accurate and the Nation's assets are appropriately accounted for and adequately safeguarded.

The 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 Council reviews the financial statements and recommends their approval. 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 annual report, the consolidated financial statements and the external auditor's report. The Council approves the 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 Reid Hurst Nagy Inc., Chartered Professional Accountants in accordance with Canadian generally accepted auditing standards on behalf of their members. Reid Hurst Nagy Inc. has full access to Chief and Council. Reid Hurst Nagy Inc. have full and free access to the council for information purposes.


Chief

Councillor

Feb 13, 2023
Date
FEB 15 2022
Date

Independent Auditors' Report

To the Members of
Heiltsuk Indian Band

Qualified Opinion

We have audited the consolidated financial statements of Heiltsuk Indian Band, which comprise the consolidated statement of financial position as at March 31, 2022, and the consolidated statements of operations and accumulated surplus, change 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, except for the effects of the matter described in the Basis for Qualified Opinion section of our report, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the First Nation as at March 31, 2022, and the results of its consolidated operations, its changes in its consolidated net financial assets, and its consolidated cash flows for the year then ended in accordance with Canadian Public Sector Accounting Standards (PSAS).

Basis for Qualified Opinion

The financial information for Heiltsuk Holdings Limited Partnership and Heiltsuk Holdings Ltd., included in "Long-term investments", is not available for the fiscal 2022 year and has not been accounted for in the consolidated financial statements for the current year. In this respect, the financial statements are not in accordance with Canadian public sector accounting standards. We were not able to determine the adjustments that might have been necessary to long-term investments, income (loss) from the government business enterprises, and loans receivable (with the exception of Widsten Holdings Ltd.) for Heiltsuk Holdings Limited Partnership nor Heiltsuk Holdings Ltd.

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 qualified opinion.

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

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

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 Consolidated 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 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.
- ◆ Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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.




REID HURST NAGY INC.
CHARTERED PROFESSIONAL ACCOUNTANTS
RICHMOND, B.C.
FEBRUARY 13, 2023

HEILTSUK INDIAN BAND

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at March 31	2022	2021
FINANCIAL ASSETS		
Cash and cash equivalents	\$ 57,428,525	\$ 48,603,137
Restricted cash (Note 4)	483,968	530,541
Accounts receivable (Note 5)	3,748,072	26,171,427
Loans receivable (Note 6)	6,178,588	625,438
Long-term investments (Note 7)	18,610,396	10,345,363
Federal trust funds (Note 9)	3,318,559	3,283,470
	89,768,108	89,559,376
LIABILITIES		
Accounts payable (Note 10)	4,883,104	3,832,739
Damage deposits	48,728	41,128
Deferred revenue (Note 11)	56,801,253	72,922,077
Replacement Reserve (Note 12)	594,027	451,879
Loans payable (Note 13)	4,294,484	2,523,466
CMHC Mortgages (Note 14)	1,580,388	1,750,760
	68,201,984	81,522,049
NET FINANCIAL ASSETS	21,566,124	8,037,327
NON-FINANCIAL ASSETS		
Tangible capital assets (Note 15)	52,915,738	43,422,239
Prepaid expenses	48,290	776,135
	52,964,028	44,198,374
ACCUMULATED SURPLUS	\$ 74,530,152	\$ 52,235,701

APPROVED ON BEHALF OF THE HEILTSUK INDIAN BAND


Chief


Councillor

HEILTSUK INDIAN BAND

CONSOLIDATED STATEMENT OF CHANGE IN NET FINANCIAL ASSETS

For the year ended March 31	2022 Budget	2022 Actual	2021 Actual
ANNUAL SURPLUS	\$ -	\$ 22,294,451	\$ 4,061,178
Acquisition of tangible capital assets	-	(12,622,229)	(6,142,221)
Amortization of tangible capital assets	-	1,966,802	2,062,489
Sale of capital assets	-	1,593,194	319,333
Accumulated amortization on capital asset disposals	-	(431,266)	(3,877)
	-	(9,493,499)	(3,764,276)
Acquisition of prepaid asset	-	(47,929)	(776,135)
Use of prepaid asset	-	775,774	15,495
	-	727,845	(760,640)
DECREASE IN NET FINANCIAL ASSETS	-	13,528,797	(463,738)
NET FINANCIAL ASSETS AT BEGINNING OF YEAR	-	8,037,327	8,501,065
NET FINANCIAL ASSETS AT END OF YEAR	\$ -	\$ 21,566,124	\$ 8,037,327

HEILTSUK INDIAN BAND

CONSOLIDATED STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS

For the year ended March 31

	2022 Budget	2022 Actual	2021 Actual
REVENUE			
Indigenous Services Canada	\$ -	\$ 22,988,966	\$ 16,755,799
Other	-	6,742,238	4,739,197
BC Housing	-	5,607,935	2,612,606
Department of Fisheries and Oceans	-	1,102,456	1,296,815
Province of BC	-	878,303	3,238,458
Rental	-	788,583	499,803
Coast Conservation Endowment	-	650,000	650,000
BC FN Gaming Revenue Share LP	-	641,355	1,133,149
Canada Mortgage and Housing Corporation	-	616,445	5,645,000
Interest	-	525,008	836,924
Great Bear Initiative	-	377,222	352,767
First Nations Education Steering Committee	-	95,474	20,475
Share of income (loss) from controlled entities (Note 9)	-	87,925	704,031
Department of Justice - Canada	-	84,225	66,052
Government of Canada	-	61,963	40,809,991
Trust fund	-	41,870	43,363
Licenses	-	39,282	73,103
Deferred revenue - adjustment	-	15,497,123	(47,905,941)
	-	56,826,373	31,571,592
EXPENSES			
Administration	-	17,161,266	14,645,844
Social Development	-	1,741,276	1,933,330
Economic Development	-	4,698,809	2,726,013
Halcatat Reconciliation	-	5,139,426	2,513,221
Public Works	-	2,817,800	2,844,107
Heiltsuk Properties	-	784,434	652,461
Social Housing	-	423,210	310,550
Capital Fund	-	1,765,700	1,884,888
	-	34,531,921	27,510,414
ANNUAL SURPLUS	-	22,294,451	4,061,178
ACCUMULATED SURPLUS AT BEGINNING OF YEAR	-	52,235,701	48,174,523
ACCUMULATED SURPLUS AT END OF YEAR	\$ -	\$ 74,530,152	\$ 52,235,701

HEILTSUK INDIAN BAND

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended March 31, 2022	2022	2021
OPERATING ACTIVITIES		
ANNUAL SURPLUS	\$ 22,294,451	\$ 4,061,178
Items not affecting cash		
Amortization	1,966,802	2,062,489
Accumulated amortization on disposals	(431,266)	(3,877)
Share of income (loss) of government businesses	(87,825)	(704,031)
	23,742,162	5,415,759
Change in non-cash operating working capital	2,642,250	46,448,437
	26,384,412	51,864,196
CAPITAL ACTIVITIES		
Purchase of capital assets in the Capital Fund	(12,622,229)	(6,142,221)
Disposal of capital assets in the capital fund	1,593,194	319,333
	(11,029,035)	(5,822,888)
FINANCING ACTIVITIES		
Repayment of CMHC mortgages	(170,372)	(180,265)
Repayment of long-term debt	(228,982)	(365,127)
Proceeds from long-term debt	2,000,000	-
	1,600,646	(545,392)
INVESTING ACTIVITIES		
Distribution from Central Coast Commercial Fisheries LP	81,426	150,000
Investment in Widsten Holdings Ltd.	(8,258,634)	-
Changes in restricted cash	46,573	(142,577)
	(8,130,635)	7,423
INCREASE IN CASH AND CASH EQUIVALENTS	8,825,388	45,503,339
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	48,603,137	3,099,798
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 57,428,525	\$ 48,603,137

HEILTSUK INDIAN BAND

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2022

1. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES

These financial statements are prepared in accordance with Canadian public sector accounting standards for governments as recommended by the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants.

(a) Asset classification

Assets are classified as either financial or non-financial. Financial assets are assets that could be used to discharge existing liabilities or to finance future operations. Non-financial assets are acquired, constructed or developed assets that do not provide resources to discharge existing liabilities but are employed to deliver government services, may be consumed in normal operations and are not for resale. Non-financial assets include tangible assets, prepaid expenses and inventory of supplies.

(b) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, balances with banks net of bank overdrafts and term deposits having a maturity of three months or less at acquisition which are held for the purpose of meeting short-term cash commitments.

(c) Reporting Entity

The Heiltsuk Indian Band reporting entity includes the Heiltsuk Indian Band government and all related entities that are controlled by the First Nation.

(d) Principles of Consolidation

Controlled entities are fully consolidated on a line-by-line basis and commercial enterprises which meet the definition of government business enterprise or government business partnership are included in the Consolidated Statements on a modified equity basis. Inter-organizational balances and transactions are eliminated upon consolidation.

Under the modified equity method of accounting, only Heiltsuk Indian Band's investment in the government business enterprise or partnership and the enterprise's or partnership's net income and other changes in equity are recorded. No adjustment is made for accounting policies of the enterprise that are different from those of Heiltsuk Indian Band.

Organizations consolidated in Heiltsuk Indian Band's financial statements include:

1. Bella Bella Fuel Co. Limited (100% owned by Heiltsuk Indian Band)
2. Bella Bella Band Store Ltd. (100% owned by Heiltsuk Indian Band)
3. Bella Bella Fisheries Ltd. (100% owned by Heiltsuk Indian Band)
4. Heiltsuk Environmental Services Ltd.
5. Heiltsuk Indian Band Section 95 Housing Operations (CMHC)

Organizations accounted for on a modified equity basis include:

6. Central Coast Commercial Fisheries Limited Partnership (25% limited partner)
7. Heiltsuk Holdings Limited Partnership (99% limited partner)
8. Heiltsuk Holdings Ltd. (100% owned by Heiltsuk Indian Band)
9. Widsten Holdings Ltd (100% owned by Heiltsuk Indian Band)

HEILTSUK INDIAN BAND

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2022

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

(e) Revenue Recognition

Revenues are recognized in the period in which the transactions or events occurred that gave rise to the revenues. All revenues are recorded on an accrual basis, except when the accruals cannot be determined with a reasonable degree of certainty or when their estimation is impracticable.

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

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

Revenue related to fees or services received in advance of the fee being earned or the service is performed is deferred and recognized when the fee is earned or service performed.

(f) Segments

The First Nation conducts its business through reportable segments. These operating segments are established by senior management to facilitate the achievement of the First Nation's long-term objectives, aid in resource allocation decisions, and to assess operational performance. For each reported segment, revenues and expenses represent both amounts that are directly attributed to the segment and amounts that are allocated on a reasonable basis. Therefore, certain allocation methodologies are employed in the preparation of segmented financial information.

(g) Use of Estimates

The preparation of consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates. Actual estimates in these financial statements include collectibility of accounts receivable, useful lives of tangible capital assets and related amortization and accrued liabilities.

(h) Contaminated Sites

A liability for contaminated sites is recognized when a site is not in productive use and the following criteria are met:

- (i) an environmental standard exists;
- (ii) contamination exceeds the environmental standard;
- (iii) The First Nation is directly responsible or accepts responsibility;
- (iv) it is expected that future economic benefits will be given up; and
- (v) a reasonable estimate of the amount can be made.

The liability is recognized as management's estimate of the cost of post-remediation including operation, maintenance and monitoring that are an integral part of the remediation strategy for a contaminated site.

As at March 31, 2021 and 2022, no liability for contaminated sites has been recorded.

HEILTSUK INDIAN BAND

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2022

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

(i) Tangible Capital Assets

Tangible capital assets are recorded at cost, which includes amounts that are directly related to the acquisition, design, construction, development, improvement or betterment of the assets. Cost includes overhead directly attributable to construction and development, as well as interest costs that are directly attributable to the acquisition or construction of the asset.

Leases that transfer substantially all the benefits and risks of ownership to the lessee are recorded as capital leases. Accordingly, at the inception of the leases, the tangible capital asset and related lease obligations are recorded at an amount equal to the present value of future lease payments discounted at the lower of the interest rate inherent in the lease contracts and Heiltsuk Indian Band's incremental cost of borrowing.

Amortization is provided for on a straight-line basis over their estimated useful lives as follows:

Boats	10 years Straight line
Buildings	25 - 40 years Straight line
Equipment	10 - 20 years Straight line
Infrastructure	10 - 20 years Straight line
Social housing	25 years Straight line
Vehicle	5 years Straight line
Water Treatment Plant	15 years Straight line
Waste Water Treatment Plant	15 years Straight line

Tangible capital assets are written down when conditions indicate that they no longer contribute to Heiltsuk Indian Band's ability to provide goods and services, or when the value of future economic benefits associated with the tangible capital assets are less than their net book value. The net write-downs are accounted for as expenses in the consolidated statement of operations.

Contributed capital assets are recorded into revenues at their fair value on the date of donation, except in circumstances where fair value cannot be reasonably determined, in which case they are recognized at nominal value. Transfers of capital assets from related parties are recorded at carrying value.

Certain assets which have historical or cultural value, including works of art, historical documents and historical and cultural artifacts, are not recognized as tangible capital assets. Assets under construction are not amortized until the asset is available to be put into service.

(j) Surplus Recoveries and Deficit Funding

Under the terms of funding arrangements, remaining surpluses of certain programs may be recovered by the funding agency, and remaining deficits may be funded by the funding agency.

(k) Replacement Reserve

The Replacement Reserve is funded by an annual charge against earnings as opposed to an appropriation of surplus.

HEILTSUK INDIAN BAND

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2022

2. ECONOMIC DEPENDENCE

The Heiltsuk Indian Band and controlled entities ("First Nation") are financially dependent on funding from government sources to operate programs and to complete capital projects. The First Nation's ability to operate certain programs depends on continuation of these sources of funding.

Contributions from Indigenous Services Canada ("ISC") are under terms of Financial Transfer Agreements ("FTA") and are provided on a block funding basis. Generally, FTA funding is provided on a multi-year basis and any unexpected balance is not repayable.

These financial statements do not reflect adjustments in the carrying value of assets and liabilities, the reported revenue and expenses and the statement of financial position classifications used that would be necessary if the going-concern assumption were not appropriate.

3. BUDGETED FIGURES

Budgeted figures have been provided for comparison purposes and have been derived from the estimates approved by the Chief and Council.

4. RESTRICTED CASH

Replacement Reserve Fund:

In accordance with the terms and conditions of the "Operating Agreement" with Canada Mortgage & Housing Corporation, the Housing Program must set aside funds annually for the non-annual expenditures of the Program for the repair, maintenance and replacement of worn out assets. These funds are to be held in a separate bank account with any interest earned to be credited as revenue to the Replacement Reserve Fund.

Operating Reserve Fund:

In accordance with the terms and conditions of the "Operating Agreement" with Canada Mortgage & Housing Corporation, the Program is to set aside any surplus revenue to an operating reserve for the purpose of meeting future requirements of income listed occupants over and above the maximum federal assistance. The Fund may be replenished to its original limit from subsequent operating surpluses.

	2022	2021
Replacement Reserve Fund - restricted cash	\$ 205,254	\$ 251,731
Operating Reserve Fund - restricted cash	278,714	278,810
	\$ 483,968	\$ 530,541

HEILTSUK INDIAN BAND

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2022

5. ACCOUNTS RECEIVABLE

	2022	2021
Accounts receivable	\$ 1,767,751	\$ 1,460,038
Rent receivable	5,259,485	5,200,083
Department of Fisheries and Oceans	593,883	142,421
Indigenous Services Canada	472,414	400,310
Government of Canada	297,311	1,350,000
RAVEN	172,807	-
Great Bear Initiative Society	154,834	-
Canada Mortgage and Housing Corporation	143,897	441
BC Government	14,705	22,330,000
Interest receivable	-	312,015
	8,877,087	31,195,308
Allowance for doubtful accounts	(5,129,015)	(5,023,881)
	\$ 3,748,072	\$ 26,171,427

6. LOANS RECEIVABLE

	2022	2021
Due from Widsten Holdings Ltd	\$ 5,559,610	\$ 6,460
Due from Heiltsuk Health Centre	29,611	29,611
Due from Heiltsuk Fisheries LP	300,000	300,000
Due from Bella Bella Airport LP	6,492	6,492
Due from Heiltsuk Forestry Management LP	(10,616)	(10,616)
Due from Heiltsuk Economic Development Corp.	82,044	82,044
Due from Lama Pass Fuel Co. LP	85,451	85,451
Due to Waglisla Band Store LP	125,996	125,996
	\$ 6,178,588	\$ 625,438

Loans to related entities have no specific terms of repayment and bear no interest.

7. LONG-TERM INVESTMENTS

	2022	2021
Investment in Widsten Holdings Ltd.	\$ 8,000,517	\$ -
Investment in Heiltsuk Holdings Limited Partnership	9,031,280	9,031,280
Investment in Heiltsuk Holdings Ltd.	903	903
Investment in Central Coast Commercial Fisheries LP (25%)	1,577,696	1,313,180
	\$ 18,610,396	\$ 10,345,363

HEILTSUK INDIAN BAND

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2022

8. GOVERNMENT BUSINESS ENTERPRISES

Commercial enterprises are those organizations that meet the definition of government business enterprises or government business partnership as described by the Public Sector Accounting Board of CPA Canada. Government business enterprises and government business partnerships have the power to contract in their own name, have the financial and operating authority to carry on a business, sell goods and services to customers outside the First Nation government as their principal activity, and that can, in the normal course of their operations, maintain operations and meet liabilities from revenues received from outside the First Nation government.

- ♦ Heiltsuk Holdings Limited Partnership
- ♦ Heiltsuk Holdings Ltd.
- ♦ Widsten Holdings Ltd.

	Heiltsuk Holdings Limited Partnership	Heiltsuk Holdings Ltd.	Widsten Holdings Ltd.	2022 Total	2021 Total
Investments in subsidiaries	\$ 9,031,280	\$ 903	\$ 8,000,517	\$ 17,032,700	\$ 9,032,183

Equity	\$ 9,031,280	\$ 903	\$ 8,000,517	\$ 17,032,700	\$ 9,032,183
Total equity	\$ 9,031,280	\$ 903	\$ 8,000,517	\$ 17,032,700	\$ 9,032,183

	Heiltsuk Holdings Limited Partnership	Heiltsuk Holdings Ltd.	Widsten Holdings Ltd.	2022 Total	2021 Total
Revenue	\$ -	\$ -	\$ (258,117)	\$ (258,117)	\$ 448,121
	-	-	(258,117)	(258,117)	448,121
Net income	\$ -	\$ -	\$ (258,117)	\$ (258,117)	\$ 448,121

In addition to the above, Heiltsuk is a 25% partner of the Central Coast Commercial Fisheries Limited Partnership. income included from this enterprise in 2022 was \$345,942 (\$255,909 in 2021). Combined with the below, the total income from government businesses was \$87,825 (\$704,031 in 2021).

HEILTSUK INDIAN BAND

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2022

9. TRUST FUNDS HELD BY FEDERAL GOVERNMENT

	2022	2021
Capital funds held in trust	\$ 5,318	\$ 5,318
Revenue funds held in trust	3,313,241	3,278,152
	\$ 3,318,559	\$ 3,283,470

The 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. The management of these funds is primarily governed by Sections 63 to 69 of the Indian Act.

10. ACCOUNTS PAYABLE

	2022	2021
Accounts payable - general	\$ 2,252,327	\$ 2,396,417
Bella Bella School Society	940,000	1,020,260
Groen Environmental Systems Inc	700,724	-
Nomodic Modular Structure Inc	570,054	-
Wages payable	419,999	416,062
	\$ 4,883,104	\$ 3,832,739

HEILTSUK INDIAN BAND

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2022

11. DEFERRED REVENUE

Deferred revenue represents government transfers received which are subject to stipulation and unspent at year end.

	March 31, 2021	Funding received, 2022	Revenue recognized, 2022	March 31, 2022
Federal government				
Government of Canada	\$ 39,088,635	\$ 584,111	\$ (12,673,154)	\$ 26,999,592
Department of Fisheries and Oceans	212,075	328,356	(210,810)	329,621
Department of Fisheries and Oceans	361,777	-	(361,777)	-
Department of Fisheries and Oceans	622,685	-	(622,685)	-
Canada Mortgage and Housing Corporation	4,922,850	-	(4,720,898)	201,952
ISC Q3QP	157,858	355,716	(431,074)	82,500
ISC Q3FO	46,000	-	(46,000)	-
ISC Q35B/D	398,105	-	(67,446)	330,659
ISC Q2D0	42,119	18,803	(1,844)	59,078
ISC Q2HL	-	448,000	(99,380)	348,620
ISC Q3BJ	-	597,302	(327,948)	269,354
ISC Q3TD	-	3,921,162	(5,631)	3,915,531
ISC Q3B1	-	172,390	-	172,390
ISC Q3UO	-	837,156	(34,619)	802,537
ISC Q2BJ	-	66,810	-	66,810
ISC Q2BF	-	72,112	-	72,112
ISC Q3WI	-	230,830	-	230,830
ISC Q3WK	-	181,949	-	181,949
	45,852,104	7,814,697	(19,603,266)	34,063,535
Provincial Government				
BC FN Gaming Revenue Share LP	2,179,377	641,355	(314,631)	2,506,101
BC Reconciliation Funding	22,330,000	-	(4,581,705)	17,748,295
BC - Title, rights and self-government	1,879,863	-	(393,090)	1,486,773
	26,389,240	641,355	(5,289,426)	21,741,169
Other				
BC Hydro	-	616,340	(296,307)	320,033
BMO Donation	-	100,000	-	100,000
CIRNAC	458,821	-	(458,821)	-
Community Hall Fundraising	-	101,701	-	101,701
Ending Violence BC	-	166,185	(32,255)	133,930
First Peoples Cultural Council	32,889	402,223	(217,145)	217,967
Kunsoot Wellness	38,759	-	(38,759)	-
Pacific Salmon Foundation	32,264	-	(12,346)	19,918
UBC	15,000	-	(15,000)	-
Vancity	103,000	-	-	103,000
	680,733	1,386,449	(1,070,633)	996,549
	\$ 72,922,077	\$ 9,842,501	\$ (25,963,325)	\$ 56,801,253

HEILTSUK INDIAN BAND

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2022

12. REPLACEMENT RESERVE

The Replacement Reserve is established in accordance with the Operating Agreements with CMHC for on-reserve housing. Funds are required to be set aside annually and held for future replacements of capital items related to the homes.

	2022	2021
Balance, beginning of year	\$ 451,879	\$ 431,463
Contributions, required during the year	168,587	20,416
Capital replacements	(26,439)	-
	\$ 594,027	\$ 451,879

13. LOANS PAYABLE

	2022	2021
BMO Financial Group with scheduled loan payments of \$9,706 per month, including interest at prime plus 1.25% per annum, due on demand secured by a general security agreement.	\$ 1,476,032	\$ 1,529,527
BMO Financial Group with scheduled loan payments of \$2,085 per month, including interest at prime plus 1.25% per annum, due on demand secured by a general security agreement.	84,054	105,524
Canadian Imperial Bank of Commerce (CIBC) demand loan repayable in monthly installments of \$3,750 including interest at prime plus 1.50% per annum, beginning September 9, 2010 secured by a general security agreement.	83,831	125,453
Capital lease obligations - payable to a number of suppliers at various interest rates. Obligations are payable over either 4 or 5 years and relate to purchased assets secured by a general security agreement.	359,878	297,667
Canadian Imperial Bank of Commerce (CIBC) demand loan repayable in monthly installments of \$11,945 including interest at prime plus 0.75% per annum, beginning October 31, 2019 secured by a general security agreement.	290,689	465,295
Vancity business loan maturing on October 01, 2022, repayable on maturity with monthly installments of interest at 3.70% per annum secured by a general security agreement.	2,000,000	-
	4,294,484	2,523,466
Callable portion	2,274,233	2,225,799
	\$ 2,020,251	\$ 297,667

Expected principal repayments over the next five years are: 2023 - \$2,274,233 2024 - \$268,329 2025 - \$130,541 2026 - \$86,360 and thereafter \$1,168,470

HEILTSUK INDIAN BAND

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2022

14. CMHC MORTGAGES

	Phase number	Maturity date	Interest rate	Monthly payment	2022	2021
2607010	1	6/1/2021	4.95%	\$ 1,672	\$ -	\$ 6,653
19362276002	2	10/1/2033	1.83%	10,809	1,353,409	1,457,407
10437267016	16	3/1/2024	1.86%	2,340	55,094	81,884
19362276001	1	3/1/2027	2.27%	3,031	171,885	204,816
					\$ 1,580,388	\$ 1,750,760

Expected principal repayments over the next five years are: 2023 - \$165,928 2024 - \$169,151 2025 - \$144,104
2026 - \$ 146,917 and thereafter - \$954,287

HEILTSUK INDIAN BAND

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2022

15. TANGIBLE CAPITAL ASSETS

	Cost				Accumulated amortization				
	Balance, beginning of year	Additions	Disposals	Balance, end of year	Balance, beginning of year	Amortization	Accumulated amortization on disposals	Balance, end of year	2022 net book value
Boats	\$ 462,007	\$ 636,867	\$ -	\$ 1,098,874	\$ 429,793	\$ 73,767	\$ -	\$ 503,560	\$ 595,314
Buildings	55,164,600	10,535,726	(1,118,834)	64,581,492	25,021,878	782,851	-	25,804,729	38,776,763
Equipment	721,812	47,215	-	769,027	499,941	60,393	-	560,334	208,693
Infrastructure	18,171,750	923,831	-	19,095,581	12,984,702	422,523	-	13,407,225	5,688,356
Land	1,855,054	-	-	1,855,054	-	-	-	-	1,855,054
Licenses	50,610	-	-	50,610	-	-	-	-	50,610
Social housing	4,291,105	-	-	4,291,105	776,518	163,718	-	940,236	3,350,869
Vehicle	1,658,457	478,590	(474,360)	1,662,687	782,544	308,799	(431,266)	660,077	1,002,610
Water treatment plant	6,588,569	-	-	6,588,569	5,046,349	154,751	-	5,201,100	1,387,469
Waste water treatment plant	9,267,364	-	-	9,267,364	9,267,364	-	-	9,267,364	-
	\$ 98,231,328	\$ 12,622,229	\$ (1,593,194)	\$ 109,260,363	\$ 54,809,089	\$ 1,966,802	\$ (431,266)	\$ 56,344,625	\$ 52,915,738

	Cost				Accumulated amortization				
	Balance, beginning of year	Additions	Disposals	Balance, end of year	Balance, beginning of year	Amortization	Accumulated amortization on disposals	Balance, end of year	2021 Net book value
Boats	\$ 462,007	\$ -	\$ -	\$ 462,007	\$ 419,712	\$ 10,081	\$ -	\$ 429,793	\$ 32,214
Buildings	50,959,493	4,488,337	(283,230)	55,164,600	24,019,224	1,002,654	-	25,021,878	30,142,722
Equipment	623,662	98,150	-	721,812	448,990	50,951	-	499,941	221,871
Infrastructure	16,671,099	1,500,651	-	18,171,750	12,562,179	422,523	-	12,984,702	5,187,048
Land	1,855,054	-	-	1,855,054	-	-	-	-	1,855,054
Licenses	50,610	-	-	50,610	-	-	-	-	50,610
Social housing	4,291,105	-	-	4,291,105	615,559	160,959	-	776,518	3,514,587
Vehicle	1,639,477	55,083	(36,103)	1,658,457	526,138	260,283	(3,877)	782,544	875,913
Water treatment plant	6,588,569	-	-	6,588,569	4,891,311	155,038	-	5,046,349	1,542,220
Waste water treatment plant	9,267,364	-	-	9,267,364	9,267,364	-	-	9,267,364	-
	\$ 92,408,440	\$ 6,142,221	\$ (319,333)	\$ 98,231,328	\$ 52,750,477	\$ 2,062,489	\$ (3,877)	\$ 54,809,089	\$ 43,422,239

HEILTSUK INDIAN BAND

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2022

16. SEGMENTED INFORMATION

	2022 Budget	Administration 2022 Actual	2021 Actual	2022 Budget	Social Development 2022 Actual	2021 Actual	2022 Budget	Economic Development 2022 Actual	2021 Actual
Revenues									
Indigenous Services Canada	\$ -	\$ 13,312,906	\$ 11,526,698	\$ -	\$ 1,786,487	\$ 1,660,255	\$ -	\$ -	\$ 647,503
Administration fee	-	-	21,505	-	-	-	-	554,666	657,137
Great Bear Initiative	-	377,222	352,767	-	-	-	-	-	-
First Nations Education Steering Committee	-	-	-	-	95,474	20,475	-	-	-
Department of Fisheries and Oceans	-	164,690	652,616	-	-	-	-	604,986	644,199
Coast Conservation Endowment	-	-	-	-	-	-	-	650,000	650,000
Other revenue	-	2,384,015	3,820,278	-	44,953	82,888	-	2,715,626	3,636,136
Deferred revenue - adjustment	-	-	(1,659,949)	-	(155,881)	(42,119)	-	782,254	(2,583,648)
Total revenue	-	16,238,833	14,713,915	-	1,771,033	1,721,499	-	5,307,532	3,651,327
Expenses									
Amortization	-	3,795	10,051	-	-	-	-	31,090	4,090
Contracted services	-	2,367,455	2,222,899	-	94,184	119,149	-	943,955	471,343
Loan payments	-	19,962	1	-	-	5,274	-	-	-
Professional fees	-	810,539	743,623	-	-	-	-	43,558	29,689
Honoraria	-	149,847	147,138	-	13,580	16,286	-	170,227	81,814
Travel	-	393,180	247,426	-	5,061	1,980	-	126,194	9,558
Utilities	-	114,441	125,328	-	29,663	25,715	-	33,271	48,922
Wages and benefits	-	3,490,263	2,895,624	-	752,246	745,761	-	2,202,595	1,491,123
Other expenses	-	9,811,784	8,253,754	-	846,542	1,019,165	-	1,147,919	589,474
Total expenses	-	17,161,266	14,645,844	-	1,741,276	1,933,330	-	4,698,809	2,726,013
Annual surplus (deficit)	\$ -	\$ (922,433)	\$ 68,071	\$ -	\$ 29,757	\$ (211,831)	\$ -	\$ 608,723	\$ 925,314

HEILTSUK INDIAN BAND

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2022

16. SEGMENTED INFORMATION, continued

	Halcistat Reconciliation			Public Works			Heiltsuk Properties		
	2022 Budget	2022 Actual	2021 Actual	2022 Budget	2022 Actual	2021 Actual	2022 Budget	2022 Actual	2021 Actual
Revenues									
Indigenous Services Canada	\$ -	\$ -	\$ -	\$ -	\$ 7,889,573	\$ 2,921,343	\$ -	\$ -	\$ -
Government of Canada	-	61,963	40,809,991	-	-	-	-	-	-
Canada Mortgage and Housing Corporation	-	-	-	-	331,643	5,491,285	-	-	-
Department of Fisheries and Oceans	-	332,780	-	-	-	-	-	-	-
Rental	-	-	-	-	35,725	11,735	-	400,071	346,075
Other revenue	-	687,991	414,695	-	7,280,103	4,055,223	-	(3)	25,141
Deferred revenue - adjustment	-	16,801,510	(38,299,270)	-	(893,202)	(5,320,955)	-	-	-
Total revenue	-	17,884,244	2,925,416	-	14,643,842	7,158,631	-	400,068	371,216
Expenses									
Amortization	-	2,500	2,500	-	-	-	-	-	-
Contracted services	-	1,508,545	374,889	-	70,571	140,861	-	45,350	48,899
Loan payments	-	-	-	-	-	27,385	-	66,532	80,282
Professional fees	-	134,338	37,775	-	308,277	166,591	-	32,134	7,783
Honoraria	-	188,089	48,880	-	4,965	18,325	-	-	829
Travel	-	31,177	5,150	-	66,155	78,541	-	2,790	2,195
Utilities	-	12,904	53,657	-	212,771	191,316	-	16,166	15,638
Wages and benefits	-	1,240,009	939,655	-	2,155,062	2,221,088	-	110,377	127,730
Other expenses	-	2,021,864	1,050,715	-	-	-	-	511,085	369,105
Total expenses	-	5,139,426	2,513,221	-	2,817,801	2,844,107	-	784,434	652,461
Annual surplus (deficit)	\$ -	\$ 12,744,818	\$ 412,195	\$ -	\$ 11,826,041	\$ 4,314,524	\$ -	\$ (384,366)	\$ (281,245)

HEILTSUK INDIAN BAND

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2022

16. SEGMENTED INFORMATION, continued

	2022 Budget	Social Housing 2022 Actual	2021 Actual	2022 Budget	Capital Fund 2022 Actual	2021 Actual	2022 Budget	Land Claims Fund 2022 Actual	2021 Actual
Revenues									
Canada Mortgage and Housing Corporation	\$ -	\$ 284,802	\$ 153,715	-	\$ -	\$ -	\$ -	\$ -	\$ -
Rental	-	166,224	128,374	-	-	-	-	-	-
Other revenue	-	-	105	-	-	-	-	-	-
Total revenue	-	451,026	282,194	-	-	-	-	-	-
Expenses									
Amortization	-	163,719	160,958	-	1,765,700	1,884,888	-	-	-
Contracted services	-	1,473	32,371	-	-	-	-	-	-
Loan payments	-	29,708	32,234	-	-	-	-	-	-
Professional fees	-	12,016	10,000	-	-	-	-	-	-
Other expenses	-	216,294	74,987	-	-	-	-	-	-
Total expenses	-	423,210	310,550	-	1,765,700	1,884,888	-	-	-
Annual surplus (deficit)	\$ -	\$ 27,816	\$ (28,356)	-	\$ (1,765,700)	\$ (1,884,888)	-	\$ -	\$ -

HEILTSUK INDIAN BAND

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2022

16. SEGMENTED INFORMATION, continued

	2022 Budget	Trust Fund 2022 Actual	2021 Actual	2022 Budget	Subsidiaries Fund 2022 Actual	2021 Actual	2022 Budget	Consolidated totals 2022 Actual	2021 Actual
Revenues									
Indigenous Services Canada	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 22,988,966	\$ 16,755,799
Government of Canada	-	-	-	-	-	-	-	616,629	41,488,633
Canada Mortgage and Housing Corporation	-	-	-	-	-	-	-	993,667	5,997,767
Province of BC	-	-	-	-	-	-	-	95,474	20,475
Department of Fisheries and Oceans	-	-	-	-	-	-	-	1,102,456	1,296,815
Coast Conservation Endowment	-	-	-	-	-	-	-	650,000	650,000
Rental	-	-	-	-	-	-	-	1,228,393	(3,799,532)
Other revenue	-	41,870	43,363	-	87,925	704,031	-	13,242,480	12,781,860
Deferred revenue - adjustment	-	-	-	-	-	-	-	15,908,308	(43,620,225)
Total revenue	-	41,870	43,363	-	87,925	704,031	-	56,826,373	31,571,592
Expenses									
Amortization	-	-	-	-	-	-	-	1,966,804	2,062,487
Contracted services	-	-	-	-	-	-	-	5,031,533	3,410,411
Loan payments	-	-	-	-	-	-	-	116,202	145,176
Professional fees	-	-	-	-	-	-	-	1,340,862	995,461
Honoraria	-	-	-	-	-	-	-	526,708	313,272
Travel	-	-	-	-	-	-	-	624,557	344,850
Utilities	-	-	-	-	-	-	-	419,216	460,576
Wages and benefits	-	-	-	-	-	-	-	9,950,552	8,420,981
Other expenses	-	-	-	-	-	-	-	14,555,488	11,357,200
Total expenses	-	-	-	-	-	-	-	34,531,922	27,510,414
Annual surplus (deficit)	\$ -	\$ 41,870	\$ 43,363	\$ -	\$ 87,925	\$ 704,031	\$ -	\$ 22,294,451	\$ 4,061,178

HEILTSUK INDIAN BAND

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2022

17. CONTINGENT LIABILITIES

Heiltsuk Indian Band has entered into contribution agreements with various federal government departments. Funding received under these contribution agreements is subject to repayment if the First Nation fails to comply with the terms and conditions of the agreements.

In addition, in the normal course of its operations, Heiltsuk Indian Band becomes involved in legal actions. Some of these potential liabilities may become actual liabilities when one or more future events occur or fail to occur. To the extent that the future event is likely to occur, and a reasonable estimate of the loss can be made, an estimated liability is accrued and an expense recorded on Heiltsuk Indian Band's financial statements.

a) Indigenous Services Canada

Under the terms of the contribution agreements with Indigenous Services Canada and other governmental departments, certain surpluses may be repayable to the government and certain deficits may be reimbursable to the Band.

b) On-Reserve Housing Loan Program

Heiltsuk has entered into an agreement with the Bank of Montreal to guarantee on-reserve member housing loans. The most recent listing of guaranteed loans from January 20, 2022 showed a total guaranteed loan balance outstanding of \$2,662,634.

18. RELATED PARTY TRANSACTIONS

During the year Heiltsuk Indian Band made the following transfers of ISC funding to related parties, related by virtue of common control:

- 1) Bella Bella School Society \$5,137,675 (\$5,204,099 in 2021)
- 2) Heiltsuk Economic Development Corporation \$126,962 (\$138,504 in 2021)
- 3) Heiltsuk College Society \$394,236 (\$394,236 in 2021)

Further, Reconciliation funding has been transferred to the following related parties:

- 1) Heiltsuk Fishery Resource Limited Partnership \$171,500 (\$0 - 2021) for the fish plant upgrade.
- 2) Heiltsuk Coastal Forest Products Limited Partnership \$594,733 (\$0- 2021) for the acquisition of a sawmill.

All transactions have been measured at the exchange amount.

19. COMPARATIVE FIGURES

Comparative figures have been reclassified to conform with the presentation in the current year.