

WUIKINUXV NATION
Financial Statements
March 31, 2022

WUIKINUXV NATION

Consolidated Financial Statements

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Year Ended March 31, 2022

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WUIKINUXV NATION
MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING
March 31, 2022

The Chief and Council of the Wuikinuxv Nation has delegated the responsibility for the integrity and objectivity of the financial information contained in the consolidated financial statements to the management of the Wuikinuxv Nation. The consolidated financial statements which, in part, are based on informed judgments and estimates, have been prepared by management in accordance with Canadian Public Sector Accounting Standards, which have been applied on a basis consistent with that of the preceding year.

To assist in carrying out their responsibility, management maintains an accounting system and internal controls to provide reasonable assurance that transactions are properly authorized and recorded in compliance with legislative and regulatory requirements and that financial records are reliable for preparation of the consolidated financial statements. These systems are monitored and evaluated by management.

The Wuikinuxv Nation's independent auditors, Chan Nowosad Boates Inc., Chartered Professional Accountants, are engaged to express an opinion as to whether these consolidated financial statements present fairly the Wuikinuxv Nation's consolidated financial position and consolidated operating results in accordance with Canadian Public Sector Accounting Standards. Their opinion is based on procedures they consider sufficient to support such an opinion.

The consolidated financial statements have, in management's opinion, been properly prepared within reasonable limits of materiality and in accordance with Canadian Public Sector Accounting Standards. These consolidated financial statements present, in all significant respects the financial position of the Wuikinuxv Nation as at March 31, 2022.



Chief Danielle Shaw
January 5, 2024

INDEPENDENT AUDITORS' REPORT

To the Chief and Council of Wuikinuxv Nation

Opinion

We have audited the accompanying consolidated financial statements of the Wuikinuxv Nation (the "Nation"), which comprise the consolidated statement of financial position as at March 31, 2022, and the consolidated statements of operations, accumulated surplus, changes in net financial assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as the "consolidated financial statements").

In our opinion, the Nation's consolidated financial statements present fairly, in all material respects, the financial position of the Nation as at March 31, 2022, and its financial performance and its cash flows for the year then ended. The consolidated financial statements have been prepared by management in accordance with Canadian Public Sector Accounting Standards (PSAS).

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 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 of our 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 Canadian Public Sector Accounting Standards (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 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 intends for the Nation to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for over-seeing the 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 auditor's report that includes our opinion.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements (continued)

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 the 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 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 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 auditor's 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 auditor's report. However, future events or conditions may cause the 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.
- 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.

Chan Narend Boates Inc

Chartered Professional Accountants
Campbell River, BC

January 5, 2024

WUIKINUV NATION

Consolidated Statement of Financial Position

March 31, 2022

2022

2021

FINANCIAL ASSETS

Cash (Note 2)	\$ 11,025,432	\$ 6,404,277
Trust Funds Held by Federal Government (Note 3)	305,932	299,524
Accounts Receivable (Note 4)	3,489,251	2,208,260
Investments in Government Business Entities (Note 5)	18,990,624	6,876,309
Advances to Related Entities (Note 6)	-	155,705
	<u>33,811,239</u>	<u>15,944,075</u>

LIABILITIES

Accounts Payable and Accrued Liabilities (Note 7)	3,739,721	1,316,583
Advances from Related Entities	29,926	45,483
Deferred Revenue (Note 8)	3,247,291	2,083,603
Long Term Debt (Note 9)	509,018	360,798
Liability for Contaminated Sites (Note 10)	<u>3,704,889</u>	<u>942,508</u>
	<u>11,230,845</u>	<u>4,748,975</u>

NET FINANCIAL ASSETS

22,580,394 11,195,100

NON-FINANCIAL ASSETS

Prepaid Expenses and Deposits	156,404	177,925
Tangible Capital Assets (Note 11)	<u>24,746,766</u>	<u>19,717,714</u>
	<u>24,903,170</u>	<u>19,895,639</u>

ACCUMULATED SURPLUS **(Note 12)**

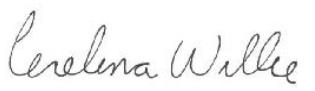
\$ 47,483,564 \$ 31,090,739

Contingent Liabilities **(Note 13)**

Approved by:



Chief



Councillor

WUIKINUV NATION

Consolidated Statement of Operations

Year Ended March 31, 2022

	2022		2021
	Actual	Budget (Note 17)	
Revenues			
Indigenous Services Canada (ISC)	\$ 9,942,422	\$ -	\$ 4,149,175
Province of British Columbia	10,444,817	757,945	851,609
First Nations Health Authority	1,237,385	-	1,197,469
Commercial Sales and Licensing	382,966	-	278,964
Central Coast Indigenous Resource Alliance	317,368	-	317,175
BC First Nations Gaming Revenue Sharing LP	518,623	-	552,819
CIRNAC	25,478	-	-
Department of Fisheries and Oceans	688,056	-	255,594
Rental Income	197,456	-	275,008
Great Bear Initiative Society	603,528	-	90,636
Canada Mortgage Housing Corporation	55,429	-	72,821
Wuikinuxv-Kitasoo-Nuxalk Tribal Council (WKNTC)	75,963	-	70,945
Other Income	676,901	-	749,167
Great Bear Carbon Credit Limited Partnership	471,526	-	440,958
Earnings from Government Business Entities	<u>12,234,828</u>	<u>-</u>	<u>1,493,484</u>
	<u>37,872,746</u>	<u>757,945</u>	<u>10,795,824</u>
Expenditures (Note 14)			
Core Community Operations	6,670,457	-	3,302,546
Community Support and Development	9,868,290	-	992,106
Resource Management and Development	1,358,801	-	1,065,099
Capital Expenditures	1,620,877	-	63,120
Treaty Negotiations	502,726	757,945	514,323
Housing Programs	446,327	-	288,985
Business Enterprise	17,825	-	-
Amortization of Tangible Capital Assets	<u>994,618</u>	<u>-</u>	<u>660,952</u>
	<u>21,479,921</u>	<u>757,945</u>	<u>6,887,131</u>
Annual Surplus	\$ 16,392,825	\$ -	\$ 3,908,693

WUIKINUXV NATION

Consolidated Statement of Accumulated Surplus

Year Ended March 31, 2022

	2022		2021
	Actual	Budget (Note 17)	
Accumulated Surplus - Beginning of Year	\$ 31,090,739	\$ -	\$ 27,182,046
Annual Surplus	<u>16,392,825</u>	<u>-</u>	<u>3,908,693</u>
Accumulated Surplus - End of Year	<u>\$ 47,483,564</u>	<u>\$ -</u>	<u>\$ 31,090,739</u>

WUIKINUXV NATION

Consolidated Statement of Changes in Net Financial Assets

Year Ended March 31, 2022

2022

2021

Annual Surplus	\$ 16,392,825	\$ 3,908,693
Tangible Capital Assets Purchased	(6,023,670)	(997,134)
Amortization of Tangible Capital Assets	994,618	660,952
	<u>(5,029,052)</u>	<u>(336,182)</u>
Net Acquisition of Prepaid Assets	21,521	(8,540)
Increase in Net Financial Assets	11,385,294	3,563,971
Net Financial Assets - Beginning of Year	<u>11,195,100</u>	<u>7,631,129</u>
Net Financial Assets - End of Year	<u>\$ 22,580,394</u>	<u>\$ 11,195,100</u>

WUIKINUXV NATION

Consolidated Statement of Cash Flows

Year Ended March 31, 2022

2022

2021

Cash Flows From Operating Activities:

Cash Received from ISC and Other Sources	\$ 25,514,207	\$ 9,615,498
Cash Paid to Suppliers and Employees	(15,193,390)	(6,084,885)
Interest Paid	(45,786)	(44,739)
	<u>10,275,031</u>	<u>3,485,874</u>

Cash Flows From Financing Activities:

Net Proceeds (Repayment) of Long Term Debt	148,220	(101,195)
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Cash Flows From Investing Activities:

Distributions from Government Business Entities	81,426	150,000
Repayment from (Advances to) Related Parties	140,148	(111,038)
	<u>221,574</u>	<u>38,962</u>

Cash Flows From Capital Activities:

Purchase of Tangible Capital Assets	(6,023,670)	(997,134)
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Increase in Cash and Cash Equivalents	4,621,155	2,426,507
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Cash and Cash Equivalents - Beginning of Year	6,404,277	3,977,770
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Cash and Cash Equivalents - End of Year	\$ 11,025,432	\$ 6,404,277
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WUIKINUXV NATION

Notes to the Consolidated Financial Statements

March 31, 2022

1. Significant Accounting Policies:

a) Basis of Accounting:

These consolidated financial statements (the "financial statements") have been prepared in accordance with Canadian public sector accounting standards.

b) Basis of Presentation:

The financial statements include the accounts of the Wuikinuxv Nation (the "Nation") government administration and the Wuikinuxv Nation treaty negotiation administration.

The financial statements include the results and operations of Midawis Maintenance Services Limited Partnership (a "Controlled Entity") as it is not considered to meet the definition of a portfolio investment nor is it considered to meet the criteria that would classify it as a government business enterprise. The Controlled Entity is consolidated on a line-by-line basis.

For those entities which the Nation holds an interest in, but which are not consolidated into the operations of the Nation, they are either accounted for as a portfolio investment or government business enterprise. Government business enterprises are accounted for under the modified equity method of accounting. Only the Nation's investment in the business enterprises and the enterprises' net income and other changes in equity are recorded. No adjustment is made for accounting policies of the enterprises that are different from those of the Nation, except that any other comprehensive income of the business enterprise is accounted for as an adjustment to the accumulated surplus or deficit. Inter-organizational transactions and balances are not eliminated.

Investments in the following enterprises are accounted for by the modified equity method and, as such, the accounting policies of these enterprises are not adjusted to conform with those of the Nation:

Kvamua Enterprises Limited Partnership (100%)
Central Coast Commercial Fishing Limited Partnership (25%)
Central Coast Commercial Fisheries Corporation (25%)

Investments in entities that are not controlled or influenced by the Nation are accounted for as portfolio investments using the cost method. Under this method, investments are recorded at cost, less any provision for other than temporary impairment. Portfolio investments include interests in the following:

Wuikinuxv Economic Development Corporation
Great Bear Carbon Credit Corporation
Great Bear Carbon Credit Limited Partnership
BC First Nation Gaming Limited Partnership

c) Asset Classification:

Assets are classified as either financial or non-financial. Financial assets are assets that could be used to discharge existing liabilities or 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 and may be consumed in normal operations. Non-financial assets include tangible capital assets and prepaid expenses. Intangible assets, and items inherited by right of the Crown, are not recognized in the financial statements.

WUIKINUXV NATION

Notes to the Consolidated Financial Statements

March 31, 2022

1. Significant Accounting Policies (continued):

d) Cash and Cash Equivalents:

Cash and cash equivalents include balances with banks, cash on hand, and term deposits.

e) 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.

Tangible Capital Assets held for use are measured and amortized as described in the applicable accounting policies. The Nation performs impairment testing on these assets whenever events or changes in circumstances indicate that the carrying value of an asset, or group of assets, may not be recoverable. Impairment losses are recognized when service potential from its use and disposal are less than the assets' carrying amount. Impairment is measured as the amount by which the assets' carrying value exceeds its fair value. Any impairment is included in earnings for the year. Prices for similar items are used to measure fair value of Tangible Capital Assets.

Amortization is provided for using the following rates and methods:

Automobiles	30%	declining balance
Boats and motors	7-15%	declining balance
Buildings	4%	declining balance
Computers	30%	declining balance
Earth moving equipment	30%	declining balance
Equipment, furniture and power tools	20%	declining balance
Generators	4%	declining balance
Housing	4%	declining balance
Infrastructure	4%	declining balance

Social Housing assets acquired under Canada Mortgage and Housing Corporation ("CMHC") sponsored programs are amortized over their estimated useful lives at a rate equivalent to the annual principal reduction in the related long-term debt. The term of the debt is estimated to not be materially different from the life of the asset.

f) Basis of Accounting for Revenue and Expenses:

Restricted transfers from other governments are initially deferred to the extent that they contain a stipulation that gives rise to a liability. Amounts deferred are recognized as revenue in the period the stipulations in the related agreement are met. Unrestricted transfers are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Contributions are recorded in the year the contribution becomes receivable under the terms of the applicable funding agreement. Contributions that are specifically designated to fund expenses of a future period, or that are restricted and unspent at the end of a period, are deferred and recognized in the period in which the related expenses are incurred.

Rents, leases, contributions from non-government agreements, other fees, and interest are recognized as revenue in the period earned, when collection is reasonably assured.

Sales of goods and services are recognized as revenue in the period the good or service is provided to the recipient, and collection is reasonably assured.

WUIKINUXV NATION

Notes to the Consolidated Financial Statements

March 31, 2022

1. Significant Accounting Policies (continued):

f) Basis of Accounting for Revenue and Expenses (continued):

Other economic activities represent activities of partnerships controlled by the Nation. Revenues from economic activities consist of sales of goods and services, government transfers, management fees, and lease revenue. Expenses are recognized as they are incurred and measurable as a result of goods and services being received and/or the creation of a legal obligation to pay.

g) Measurement Uncertainty:

The preparation of financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and the disclosure of contingent assets and liabilities, at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Significant estimates include the allowance for doubtful accounts, estimated useful lives of tangible capital assets, impairment of tangible capital assets, recoverability of investments and advances, accrued liabilities, the valuation of liability for contaminated sites, and the possibility of contingent liabilities. Actual results could differ from these estimates.

h) Liability for Contaminated Sites:

A liability for remediation of a contaminated site is recognized at the best estimate of the amount required to remediate the contaminated site when contamination exceeding an environmental standard exists, the First Nation is either directly responsible or accepts responsibility, it is expected that future economic benefits will be given up, and a reasonable estimate of the amount is determinable. The best estimate of the liability includes all costs directly attributable to remediation activities and is reduced by expected net recoveries based on information available at March 31, 2022. At each financial reporting date, the Nation reviews the carrying amount of the liability. Any revisions required to the amount previously recognized is accounted for in the period revisions are made. The First Nation continues to recognize the liability until it is settled or otherwise extinguished. Disbursements made to settle the liability are deducted from the reported liability when they are made.

i) Segment Disclosures:

A segment is defined as a distinguishable activity or group of activities of the Nation, for which it is appropriate to separately report financial information to achieve the objectives of the standard. the Nation has provided definitions used in Note 19 as well as presented financial information in segment format in Schedule 1.

2. Cash:

Replacement Reserve Fund:

Under the terms of an agreement that the Nation has with CMHC, the Nation is required to maintain a separate replacement and operating reserve account related to the structures that CMHC has a funding agreement with and holds a mortgage over. The cash to be held within these accounts is to be restricted in its use as per the terms of the agreement with CMHC. As at March 31, 2022, this reserve was under-funded by \$267,471 (2021 - \$310,628). At and for the year ended March 31, 2022 the Nation did not maintain separate bank accounts for the above described replacement reserve funds. All cash on hand at March 31, 2022 is held in general operating bank accounts, which includes the cash restricted by CMHC for the replacement reserve.

Operating Reserve Fund:

Under the terms of an agreement with CMHC, the Nation is required to maintain a separate bank account for the operating surplus resulting from the operation of the programs under the agreement, known as the operating reserve. The funds in this account may only be used to meet future program requirements. At March 31, 2022, the operating reserve fund was over-funded by \$84,631 (2021 - over-funded by \$9,390). For the year ended March 31, 2022 the Nation did not maintain separate bank accounts for the operating reserve funds. All cash on hand at March 31, 2022 is held in general operating bank accounts, which includes the cash restricted by CMHC for the operating reserve.

WUIKINUXV NATION

Notes to the Consolidated Financial Statements

March 31, 2022

3. Trust Funds Held by Federal Government:

	<u>2021</u>	<u>Additions</u>	<u>Withdrawals</u>	<u>2022</u>
Revenue	\$ 58,158	\$ 6,408	\$ -	\$ 64,566
Capital	<u>241,366</u>	<u>-</u>	<u>-</u>	<u>241,366</u>
	<u>\$ 299,524</u>	<u>\$ 6,408</u>	<u>\$ -</u>	<u>\$ 305,932</u>

The Trust Funds Held by the Federal Government 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*.

4. Accounts Receivable:

	<u>2022</u>	<u>2021</u>
Due from Members		
Nation Members	\$ 1,490,362	\$ 1,396,916
Allowance for Doubtful Accounts	<u>(1,490,362)</u>	<u>(1,396,916)</u>
	<u>-</u>	<u>-</u>
Due from Others		
Indigenous Services Canada	25,411	359,867
Canada Mortgage and Housing Corporation	-	7,276
Department of Fisheries and Oceans Canada	599,540	479,050
Sales Tax Recoverable	87,211	106,915
General Accounts	<u>2,886,313</u>	<u>1,342,663</u>
	<u>3,598,475</u>	<u>2,295,771</u>
Allowance for Doubtful Accounts	<u>(109,224)</u>	<u>(87,511)</u>
	<u>3,489,251</u>	<u>2,208,260</u>
Net Accounts Receivable	<u>\$ 3,489,251</u>	<u>\$ 2,208,260</u>

5. Investments in Government Business Entities:

The Nation has investments in the following business entities:

	<u>2022</u>	<u>2021</u>
Investments in Government Business Partnerships		
Kvamua Enterprises Limited Partnership	\$ 17,412,718	\$ 5,562,919
Central Coast Commercial Fisheries Limited Partnership	<u>1,577,694</u>	<u>1,313,178</u>
	<u>18,990,412</u>	<u>6,876,097</u>
Portfolio Investments		
BC First Nations Gaming Revenue Sharing LP	110	110
Great Bear Carbon Credit Limited Partnership	100	100
Great Bear Carbon Credit Corporation	1	1
Wuikinuxv Economic Development Corporation	<u>1</u>	<u>1</u>
	<u>\$ 18,990,624</u>	<u>\$ 6,876,309</u>

WUIKINUXV NATION

Notes to the Consolidated Financial Statements

March 31, 2022

5. Investments in Government Business Entities (continued):

Financial information of Kvamua Enterprises Limited Partnership (Kvamua) and Central Coast Commercial Fisheries Limited Partnership (CCCFLP) is presented in the following table. Financial information for Kvamua is from financial statements prepared for the year ending December 31, 2021 with comparative figures for the year ending December 31, 2020. Financial information for CCCFLP is from financial statements prepared for the year ending March 31, 2022 with comparative figures for the year ending March 31, 2021.

	<u>Kvamua</u>	<u>CCCFLP</u>	Combined <u>2022</u>	Combined <u>2021</u>
Total Assets	\$ <u>19,808,966</u>	\$ <u>6,582,809</u>	\$ <u>26,391,775</u>	\$ <u>20,914,877</u>
Total Liabilities	2,394,337	192,355	2,586,692	10,031,173
Partners' Capital	<u>17,414,629</u>	<u>6,390,454</u>	<u>23,805,083</u>	<u>10,883,704</u>
Total Liabilities and Partners' Capital	\$ <u>19,808,966</u>	\$ <u>6,582,809</u>	\$ <u>26,391,775</u>	\$ <u>20,914,877</u>
Revenues	\$ 54,505,483	\$ 1,728,505	\$ 56,233,988	\$ 7,415,261
Expenses	<u>42,654,498</u>	<u>330,902</u>	<u>42,985,400</u>	<u>5,143,691</u>
Net Income	\$ <u>11,850,985</u>	\$ <u>1,397,603</u>	\$ <u>13,248,588</u>	\$ <u>2,271,570</u>

6. Advances to Related Entities:

	<u>2022</u>	<u>2021</u>
Kvamua Enterprises Limited Partnership	\$ _____ -	\$ <u>155,705</u>

Advances to related entities have no set terms of repayment or stated interest rate.

7. Accounts Payable and Accrued Liabilities:

	<u>2022</u>	<u>2021</u>
Trade Payables	\$ 3,209,498	\$ 800,070
Government Remittances Payable	46,501	40,600
Wages and Benefits Payable	210,952	203,143
Indigenous Services Canada	<u>272,770</u>	<u>272,770</u>
	<u>\$ 3,739,721</u>	<u>\$ 1,316,583</u>

Pension Plan

The Nation provides a defined contribution plan for eligible members of its staff. Member's contributions are matched by the Nation, whose contributions are directed to the members' contribution account. The amount of retirement benefit to be received by the employees will be the amount of retirement annuity that could be purchased based on the members' share of the pension plan at the time of the members' withdrawal from the plan. During the year, the Nation contributed \$14,767 (2021 - \$11,783) for retirement benefits. The Nation has an obligation with regards to the pension plan as at March 31, 2022 of \$3,493 (2021 - \$796), included in Wages and Benefits payable.

WUIKINUV NATION

Notes to the Consolidated Financial Statements

March 31, 2022

8. Deferred Revenue:

	<u>2021</u>	<u>Funding Received</u>	<u>Revenue Recognized</u>	<u>2022</u>
ISC				
Physical Development Plan	\$ 25,000	\$ -	\$ 5,003	\$ 19,997
Finance Management Plan	7,571	-	971	6,600
Wastewater	6,390	-	6,390	-
Solid Waste Centre	37,262	-	37,262	-
Finance Management Plan - P&ID	20,000	-	-	20,000
Information Management	13,323	-	5,323	8,000
IT Update and Training	9,199	-	9,199	-
Leadership	7,060	-	-	7,060
Water Systems	17,101	67,292	48,150	36,243
Other Protections	2,277	5,282	528	7,031
Post Secondary	74,483	120,771	151,164	44,090
Education	-	42,786	34,973	7,813
Enhanced Service Delivery	37,706	-	-	37,706
Service Delivery	37,749	63,998	19,266	82,481
Powerline Upgrade	10,418	-	-	10,418
Ancillary Support	6,585	-	-	6,585
Training/Fire	1,335	2,640	810	3,165
DPMP Supplementary	61,364	-	30,213	31,151
Capacity Initiative	59,619	-	-	59,619
Software Upgrade	53,655	-	-	53,655
Community Wellbeing	162,257	100,475	-	262,732
P&ID - MAP Implementation	-	18,400	-	18,400
Community Buildings	-	75,543	35,390	40,153
Solid Waste	-	34,250	30,715	3,535
Roads and Bridges	-	155,046	69,216	85,830
Planning and Skills Development	-	50,000	34,868	15,132
Wastewater Systems	-	<u>121,515</u>	<u>55,616</u>	<u>65,899</u>
	650,354	857,998	575,057	933,295
 FNHA	511,499	563,319	500,641	574,177
Province of BC	439,533	9,988,117	9,468,164	959,486
Other	<u>482,217</u>	<u>554,480</u>	<u>256,364</u>	<u>780,333</u>
 Total	<u>\$ 2,083,603</u>	<u>\$11,963,914</u>	<u>\$10,800,226</u>	<u>\$ 3,247,291</u>

WUIKINUXV NATION

Notes to the Consolidated Financial Statements

March 31, 2022

9. Long Term Debt:

	<u>2022</u>	<u>2021</u>
Band Housing: All Nations Trust Company:		
Social Housing Loan Phase 97-V: Repayable at \$2,560 per month including interest at 1.84% per annum; due September 1, 2027; secured by buildings with a net book value of \$387,598 (2021 - \$415,100);	\$ 160,597	\$ 188,098
Social Housing Loan Phase 97-IV: Repayable at \$2,519 per month including interest at 1.01% per annum; due April 1, 2026; secured by buildings with a net book value of \$409,404 (2021 - \$438,243);	120,871	149,710
Social Housing Loan Phase II: Repayable at \$2,314 per month including interest at 1.43% per annum; repaid during the year;	-	22,990
Specific Claim Loans: Crown-Indigenous Relations and Northern Affairs Canada:		
Cannery Claim Loan Repayable in full March 31, 2025; no specified monthly loan payments or interest rate; secured by a promissory note;	117,900	-
Katit IR No. 1 Claim Loan Repayable in full March 31, 2026; no specified monthly loan payments or interest rate; secured by a promissory note;	<u>109,650</u> <u>\$ 509,018</u>	<u>-</u> <u>\$ 360,798</u>

Interest paid on long term debt for the year ended March 31, 2022 is \$4,771 (2021 - \$6,038).

Long-term debt principal payments due within each of the next five years and beyond are estimated to be as follows:

2023	\$ 57,142
2024	57,958
2025	176,686
2026	169,277
2027 and beyond	47,955

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Notes to the Consolidated Financial Statements

March 31, 2022

10. Liability for Contaminated Sites:

Power Generation Station

In the year ending March 31, 2019, the Nation retained a contractor to conduct a Supplemental Phase III Environmental Site Assessment (the "ESA") on the Nation's reserve lands: Katit 1 and Cockmi 3 (the "Site"). The ESA concluded that there is soil and groundwater contamination at the Site caused by specific past or current activities, and recommended that a Remedial Action Plan (RAP) be implemented to comply with federal and provincial requirements.

The proposed RAP will involve sampling, reporting, physical remediation, disposal of materials and post-remediation monitoring and soil treatment. These activities are estimated to take three years for their commencement, and are estimated to begin in three years from the financial statement date. The total estimated cost for the RAP is \$1,237,200 before discounting. The land on which the contamination exists is crown land and the federal government will be responsible for the costs of remediating the contamination prior to transferring the land back to the Nation as part of any future Treaty settlement. While an estimated timeframe for the completion of the remediation is not yet available

The estimated liability is the present value of future cash flows associated with all remediation activities described above, using a long-term borrowing rate of 2.70% (2021 - 2.45%). The discounted liability for contaminated sites at March 31, 2022 is estimated to be \$1,347,087 (2021 - \$942,508).

Diesel Spill

In February 2021, a diesel spill occurred for which the Nation is expected to take responsibility for the remediation of the resulting contaminated site. In April 2021, the Nation retained a contractor to perform an initial site assessment. Activities undertaken by the Nation to date include containment of the spill, shoreline surveys, surface water sampling, sediment sampling, soil screening and delineation. The initial site assessment recommended that a RAP be implemented to comply with federal and provincial requirements.

The proposed RAP will involve excavation of impacted soil, general waste management, waste soil management, reporting, and post-remediation monitoring and soil treatment. A preliminary estimate of the total cost to remediate this site was made by the contractor.

The estimated liability is the present value of future cash flows associated with all remediation activities described above. Because the timeline for remediation cannot be reasonably determined, the liability has not been discounted and has been recorded at its estimated remediation cost of \$2,357,802 (2021 - \$Nil).

WUIKINUXV NATION

Notes to the Consolidated Financial Statements

March 31, 2022

11. Tangible Capital Assets:

	Cost				Accumulated Amortization				Net Book Value	
	Opening	Additions	Disposals	Closing	Opening	Amort	Disposals	Closing	2022	2021
Capital:										
Automobiles	\$ 377,097	\$ 171,915	\$ -	\$ 549,012	\$ 242,296	\$ 72,697	\$ -	\$ 314,993	\$ 234,019	\$ 134,801
Boats and Motors	795,828	341,161	-	1,136,989	457,693	40,710	-	498,403	638,586	338,135
Buildings	6,773,293	54,960	-	6,828,253	2,474,591	83,752	-	2,558,343	4,269,910	4,298,702
Computers	199,036	24,769	-	223,805	110,438	31,954	-	142,392	81,413	88,598
Earth Moving Equipment	117,828	-	-	117,828	109,252	2,572	-	111,824	6,004	8,576
Equipment, Furniture and Power Tools	309,069	489,164	-	798,233	236,443	51,991	-	288,434	509,799	72,626
Generators	613,084	-	-	613,084	282,918	13,207	-	296,125	316,959	330,166
Hatchery	1	-	-	1	-	-	-	-	1	1
Housing	537,119	-	-	537,119	232,428	-	-	232,428	304,691	304,691
Infrastructure	<u>15,512,197</u>	<u>4,941,701</u>	<u>-</u>	<u>20,453,898</u>	<u>3,025,694</u>	<u>599,979</u>	<u>-</u>	<u>3,625,673</u>	<u>16,828,225</u>	<u>12,486,503</u>
	<u>25,234,552</u>	<u>6,023,670</u>	<u>-</u>	<u>31,258,222</u>	<u>7,171,753</u>	<u>896,862</u>	<u>-</u>	<u>8,068,615</u>	<u>23,189,607</u>	<u>18,062,799</u>
Social Housing:										
Houses	<u>3,305,795</u>	<u>-</u>	<u>-</u>	<u>3,305,795</u>	<u>1,650,880</u>	<u>97,756</u>	<u>-</u>	<u>1,748,636</u>	<u>1,557,159</u>	<u>1,654,915</u>
Total	\$ 28,540,347	\$ 6,023,670	\$ -	\$ 34,564,017	\$ 8,822,633	\$ 994,618	\$ -	\$ 9,817,251	\$ 24,746,766	\$ 19,717,714

Included in Buildings is \$1,278,920 (2021 - \$1,278,920) relating to a Youth Centre being built in the Village. The Youth Centre was not complete as of March 31, 2022, so no amortization has been taken on the asset.

Also included in Buildings is \$833,957 (2021 - \$833,957) in capital additions relating to a daycare building being built in the Village. The daycare building was not complete as of March 31, 2022, so no amortization has been taken on the asset.

12. Accumulated Surplus:

	2022	2021
Internally Restricted		
Invested in Business Enterprises	\$ 18,990,624	\$ 6,876,309
Invested in Tangible Capital Assets	24,465,298	19,356,916
Resource Initiatives - Integrated Resource Stewardship	<u>1,750,446</u>	<u>1,141,550</u>
	<u>45,206,368</u>	<u>27,374,775</u>
Externally Restricted		
Equity in Ottawa Trust	305,932	299,524
Housing Replacement Reserve	267,471	310,628
Housing Operating Reserve	<u>(84,631)</u>	<u>(9,390)</u>
	<u>488,772</u>	<u>600,762</u>
Unrestricted		
Operating Surplus (Deficit)	<u>1,788,424</u>	<u>3,115,202</u>
	<u>\$ 47,483,564</u>	<u>\$ 31,090,739</u>

WUIKINUXV NATION

Notes to the Consolidated Financial Statements

March 31, 2022

13. Contingent Liabilities & Commitments:

- a) Indigenous Services Canada and the First Nations Health Authority may recover certain program surpluses subsequent to discussion and negotiation with the Nation. The ultimate outcome of these negotiations is not determinable at present. Consequently, no provision for potential recoverable surpluses, if any, are reflected in these financial statements.
- b) The Nation currently has a civil claim pending against it relating to the Nicknaqueet River Mini Hydro Project and the Youth Centre Project (the "Projects") filed by the contractor hired to complete the Projects. The contractor has claimed that the Nation breached the Projects' contracts. No information is available as to the amount being pursued by the contractor or the validity of the claim. The Nation is unable to determine the outcome of the claim at this time and no amount has been accrued relating to this claim.

14. Schedule of Expenses by Object:

	<u>2022</u>	<u>2021</u>
Amortization of Tangible Capital Assets	\$ 994,618	\$ 660,952
Bad Debts	237,428	277,703
Consulting and Professional Fees	1,309,100	895,118
Contract and Subcontract Costs	1,192,070	544,796
Direct Member Benefits	271,143	130,785
Donations and Financial Support	9,062,841	-
Equipment Costs	26,409	77,771
Freight and Fuel	630,615	379,967
Honoraria	260,352	180,403
Insurance	229,469	191,378
Interest and Bank Charges	45,786	44,739
Licenses, Dues and Fees	272,448	126,749
Material and Supplies	241,965	171,128
Meeting and Workshop Costs	111,000	328,700
Remediation Costs	2,762,381	22,788
Repairs and Maintenance	490,641	125,233
Training Costs	157,476	161,364
Travel	501,428	238,117
Telecommunications	57,857	98,799
Wages and Payroll Costs	<u>2,624,894</u>	<u>2,230,641</u>
	<u>\$ 21,479,921</u>	<u>\$ 6,887,131</u>

WUIKINUXV NATION

Notes to the Consolidated Financial Statements

March 31, 2022

15. Economic Dependence:

The Nation receives a significant portion of its revenues from ISC as a result of agreements entered into with the Government of Canada. These agreements are administered by ISC under the terms and conditions of the Indian Act. The ability of the Nation to continue operations as it currently is, is dependant upon the Government of Canada's continued financial commitments as guaranteed by these agreements.

16. Financial Instruments:

The Nation, as part of its operations, carries a number of financial instruments. It is management's opinion that the Nation is not exposed to significant interest, currency or credit risks arising from these financial instruments except as otherwise disclosed.

Credit Concentration:

Financial instruments that potentially subject the Nation to concentrations of credit risk consist primarily of accounts receivable. Funding from government agencies to the Nation represents 20% (2021 - 43%) of the net accounts receivable balance. Due to the source of funding, the Nation believes there is no unusual exposure associated with the collection of these receivables.

17. Budget Figures:

Budgeted figures have been provided for comparison purposes and have been derived from the estimates approved by Chief and Council and have not been audited. Where budgeted amounts are not provided, a budget had not been completed.

18. Comparative Information:

Certain comparative figures have been reclassified where necessary to conform with the financial statement presentation in the current year.

19. Segment Disclosure:

The Nation provides a range of services to its members. For management reporting purposes, operations and activities are organized and reported by program. Programs were created for the purpose of recording specific activities to attain certain objectives in accordance with specific regulations, restrictions or limitations. These activities can also be categorized into segments. The following segments have been identified and as such are separately disclosed:

Core Community Operations:

Core Community Operations contains activities that are needed to manage and administer the Nation's organization.

WUIKINUXV NATION

Notes to the Consolidated Financial Statements

March 31, 2022

19. Segment Disclosure (continued):

Community Support & Development:

Community Support & Development contains all activities that relate to the operations and development of activities that support the continuing development of the community.

Resource Management & Development:

Resource Management & Development contains activities that are involved in the development of the community and the development and operation of economic opportunities.

Capital Fund:

Capital Fund represents amounts spent on the betterment and addition to the Nation's capital assets, either through repairs and maintenance or general capital purchases.

Housing:

Housing contains activities that relate to on reserve housing.

Business Enterprise:

Enterprise Funds consists of the Nation's share of earnings from investments in limited partnerships, including Kvamua Enterprises Limited Partnership, Great Bear Carbon Limited Partnership and Central Coast Commercial Fisheries Limited Partnership.

Treaty:

Treaty contains activities associated with the treaty negotiations between the Nation, the province and the federal government.

Trust Fund:

The Trust Fund consists of amounts earned on funds held in Ottawa.

For each segment separately reported, the segment revenue and expense represent both amounts that are directly attributable to the segment and amounts that are allocated on a reasonable basis. The presentation by segment is based on the same accounting policies as described in the summary of significant accounting policies as described in Note 1. The segment results for the period are presented in Schedule 1 attached.

WUIKINUV NATION

Schedule 1 - Segment Disclosure

March 31, 2022

	Core Community Operations	Community Support & Development	Resource Management & Development	Capital Fund	Housing	Business Enterprise	Treaty	Trust Fund	Total
Revenue									
ISC	\$ 1,569,493	\$ 366,613	\$ -	\$ 8,006,316	\$ -	\$ -	\$ -	\$ -	\$ 9,942,422
Federal	-	-	-	-	55,430	-	-	-	55,430
Provincial	777,092	9,155,569	346,326	771,219	-	-	631,996	-	11,682,202
Other	963,642	732,333	2,020,474	57,800	104,380	12,667,513	-	6,408	16,552,550
	3,310,227	10,254,515	2,366,800	8,835,335	159,810	12,667,513	631,996	6,408	38,232,604
Less: Interprogram Charges	(359,858)	-	-	-	-	-	-	-	(359,858)
	2,950,369	10,254,515	2,366,800	8,835,335	159,810	12,667,513	631,996	6,408	37,872,746
Expenses									
Salaries and Benefits	1,475,753	241,806	529,312	36,950	155,942	-	185,131	-	2,624,894
Interest	-	-	-	-	6,007	-	-	-	6,007
Amortization	896,863	-	-	-	97,755	-	-	-	994,618
Other	5,670,177	9,627,895	1,464,129	6,817,388	322,921	17,825	317,595	-	24,237,930
	8,042,793	9,869,701	1,993,441	6,854,338	582,625	17,825	502,726	-	27,863,449
Less: Interprogram Charges	(359,858)	-	-	-	-	-	-	-	(359,858)
Less: Capital Purchases	(115,615)	(1,411)	(634,640)	(5,233,461)	(38,543)	-	-	-	(6,023,670)
	7,567,320	9,868,290	1,358,801	1,620,877	544,082	17,825	502,726	-	21,479,921
Annual Surplus (Deficit)	\$ (4,616,951)	\$ 386,225	\$ 1,007,999	\$ 7,214,458	\$ (384,272)	\$ 12,649,688	\$ 129,270	\$ 6,408	\$ 16,392,825

March 31, 2021

	Core Community Operations	Community Support & Development	Resource Management & Development	Capital Fund	Housing	Business Enterprise	Treaty	Trust Fund	Total
Revenue									
ISC	\$ 1,721,604	\$ 548,305	\$ -	\$ 1,879,266	\$ -	\$ -	\$ -	\$ -	\$ 4,149,175
Federal	-	-	255,594	-	72,821	-	-	-	328,415
Provincial	878,704	-	241,680	356,653	-	552,819	572,040	-	2,601,896
Other	754,694	328,943	886,541	31,035	107,325	1,948,101	-	4,090	4,060,729
	3,355,002	877,248	1,383,815	2,266,954	180,146	2,500,920	572,040	4,090	11,140,215
Less: Interprogram Charges	(338,391)	(6,000)	-	-	-	-	-	-	(344,391)
	3,016,611	871,248	1,383,815	2,266,954	180,146	2,500,920	572,040	4,090	10,795,824
Expenses									
Salaries and Benefits	1,072,878	236,442	536,062	47,706	117,418	-	220,135	-	2,230,641
Interest	-	-	-	-	6,211	-	-	-	6,211
Amortization	559,758	-	-	-	101,194	-	-	-	660,952
Other	2,622,190	756,061	568,721	924,335	165,356	-	294,188	-	5,330,851
	4,254,826	992,503	1,104,783	972,041	390,179	-	514,323	-	8,228,655
Less: Interprogram Charges	(344,391)	-	-	-	-	-	-	-	(344,391)
Less: Capital Purchases	(48,131)	(397)	(39,684)	(908,921)	-	-	-	-	(997,133)
	3,862,304	992,106	1,065,099	63,120	390,179	-	514,323	-	6,887,131
Annual Surplus (Deficit)	\$ (845,693)	\$ (120,858)	\$ 318,716	\$ 2,203,834	\$ (210,033)	\$ 2,500,920	\$ 57,717	\$ 4,090	\$ 3,908,693

WUIKINUV NATION

Schedule 2 - CIRNAC Cannery Loan

Year Ended March 31, 2022

The Nation received a loan of \$117,900 from Crown-Indigenous Relations and Northern Affairs Canada for costs relating to a specific claim during the year ending March 31, 2022. The details surrounding these funds are shown in the schedule below:

	2022
Opening Balance	\$ -
Revenue	<u>117,900</u>
Total Funds Available	117,900
Eligible Costs	
Legal Fees	<u>41,002</u>
Balance - March 31, 2022	<u>\$ 76,898</u>

WUIKINUV NATION

Schedule 3 - CIRNAC Katit IR1 Loan

Year Ended March 31, 2022

The Nation received a loan of \$109,650 from Crown-Indigenous Relations and Northern Affairs Canada for costs relating to a specific claim during the year ending March 31, 2022. The details surrounding these funds are shown in the schedule below:

	<u>2022</u>
Opening Balance	\$ -
Revenue	<u>109,650</u>
Total Funds Available	109,650
Eligible Costs	
Legal Fees	<u>65,577</u>
Balance - March 31, 2022	<u>\$ 44,073</u>