

N'Quatqua First Nation Consolidated Financial Statements

For the year ended March 31, 2021



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Management's Responsibility for Financial Reporting

The accompanying consolidated financial statements of N'Quatqua First Nation 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 judgments. When alternative accounting methods exist, management has chosen those it deems most appropriate in all circumstances, in order to ensure that the consolidated financial statements are presented fairly, in all material respects.

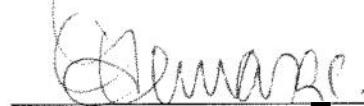
The N'Quatqua First Nation maintains systems of internal accounting and administrative controls of high quality, consistent with reasonable cost. Such systems are designed to provide reasonable assurance that the financial information is relevant, reliable and accurate, and the Nation's assets are appropriately accounted for and adequately safeguarded.

The N'Quatqua 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. Council carries out this responsibility principally through the Chief and Council.

The Chief and Council review the Nation's consolidated financial statements and recommends their approval. The Chief and Council meet periodically with management, to discuss internal controls over the 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 Chief and Council takes this information into consideration when approving the consolidated financial statements for issuance to the Members. The Chief and Council also appoint the external auditors.



Councilor



Councilor

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To the Chief and Council of N'Quatqua First Nation

Qualified Opinion

We have audited the consolidated financial statements of N'Quatqua First Nation (the "Nation") and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position as at March 31, 2021, and the consolidated statement of changes in net financial assets, the consolidated statement of operations and the consolidated statement of 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 matters 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 Group as at March 31, 2021, and its consolidated results of operations, its consolidated change in net financial assets, and its consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Qualified Opinion

The Group's tangible capital assets listing is incomplete, and it may contain assets that are no longer in use by the Group, as well as assets that are impaired. As a result, we were unable to determine whether any adjustments may be necessary to amortization expense, loss on disposal of tangible capital assets, and annual surplus for the year ended March 31, 2021, net book value of tangible capital assets as at March 31, 2021, and accumulated surplus as at April 1, 2020 and March 31, 2021.

As noted in Note 5, the Group has accounts receivable of \$385,009 due from band members, of which \$347,829 is significantly overdue. The Group has specifically identified \$76,785 which have been determined to be uncollectible and have recorded an allowance for bad debts. The Group is actively following up on the remaining outstanding accounts and believes that the remaining accounts due from band members are fully collectible, however, is unable to support this assertion. As a result, the impairment provision is not in accordance with Public Sector Accounting Standards and we were unable to determine the amount of the adjustments necessary to bad debt expense and annual surplus as at April 1, 2020 and March 31, 2021.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group 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.

Other Matter

The consolidated financial statements for the year ended March 31, 2020 were audited by another firm who expressed a qualified opinion on those financial statements on April 26, 2021.

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, 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 Group'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 Group or to cease operations, or has no realistic alternative but to do so.

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

Auditor's 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 auditor's 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 Group'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 Company'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 Group 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 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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Watson & Company
Chartered Professional Accountants LLP

Vancouver, B.C.
February 01, 2022

N'QUATQUA FIRST NATION

Consolidated Statement of Financial Position

AS AT MARCH 31, 2021

	2021	2020
	\$	\$
FINANCIAL ASSETS		
Cash (Note 3)	777,109	204,568
Restricted Cash (Note 4)	648,489	444,854
Accounts Receivable (Note 5)	485,954	604,395
Inventory (Note 6)	59,039	42,246
St'at'imc (PC) 2011 Trust (Note 7)	2,026,108	1,699,482
Ottawa Trust Funds (Note 8)	322,771	318,235
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	4,319,470	3,313,780
LIABILITIES		
Bank Indebtedness (Note 9)	-	97,462
Accounts Payable and Accrued Liabilities (Note 10)	113,942	254,797
Deferred Revenue (Note 11)	2,106,117	549,036
Long-Term Debt (Note 13)	206,742	264,728
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	2,426,801	1,166,023
NET FINANCIAL ASSETS		
	<hr/>	<hr/>
	1,892,669	2,147,757
NON-FINANCIAL ASSETS		
Prepaid Expenses	2,703	16,467
Tangible Capital Assets (Note 14)	3,504,994	3,681,838
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	3,507,697	3,698,305
ACCUMULATED SURPLUS		
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	5,400,366	5,846,062
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Councilor


H. Lemaire

Councilor

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N'QUATQUA FIRST NATION

Consolidated Statement of Change in Net Financial Assets

FOR THE YEAR ENDED MARCH 31, 2021

	2021	2020
	\$	\$
Annual (Deficit) Surplus	(445,696)	121,581
Acquisition of Tangible Capital Assets	(1,769)	(388,753)
Amortization of Tangible Capital Assets	178,613	232,471
Impairment of Tangible Capital Assets (Note 14)	-	201,802
Change in Prepaid Expenses	13,764	20,079
 Change in Net Financial Assets	 (255,088)	 187,180
Net Financial Assets, Beginning of Year	2,147,757	1,960,577
 Net Financial Assets, End of Year	 1,892,669	2,147,757

The accompanying summary of significant accounting policies and notes are an integral part of these consolidated financial statements.

N'QUATQUA FIRST NATION

Consolidated Statement of Operations

FOR THE YEAR ENDED MARCH 31, 2021

	2021	2020
	\$	\$
REVENUES		
Indigenous Services Canada	1,749,813	1,230,142
First Nations Health Authority	244,962	451,259
Government of Canada	25,955	216,384
Province of British Columbia	430,153	668,443
St'at'imc Trust	326,626	214,487
BC Hydro	5,393	5,393
CMHC	47,241	57,242
FNESC	45,160	50,339
Tribal Councils/Associations	140,782	132,597
New Relationship Trust	6,400	32,900
Rental Income	100,860	100,860
Interest Income	12,690	10,699
Other Revenue	324,466	449,320
NEEDCO Sales	639,140	635,340
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	4,099,641	4,255,405
EXPENSES (Note 18)		
Administration	831,008	780,629
Operations & Maintenance	498,885	395,177
Education	643,183	462,111
Economic Development	712,323	847,901
Health Services	1,397,992	1,305,913
Natural Resource Management	321,837	157,251
Social Housing	140,109	184,842
	<hr/>	<hr/>
	4,545,337	4,133,824
ANNUAL (DEFICIT) SURPLUS		
Accumulated Surplus, Beginning of Year	5,846,062	5,724,481
Accumulated Surplus, End of Year	5,400,366	5,846,062
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The accompanying summary of significant accounting policies and notes are an integral part of these consolidated financial statements.

N'QUATQUA FIRST NATION

Consolidated Statement of Cash Flows

FOR THE YEAR ENDED MARCH 31, 2021

	2021	2020
	\$	\$
OPERATING ACTIVITIES		
Annual (Deficit) Surplus	(445,696)	121,581
Items not utilizing cash		
Amortization of Tangible Capital Assets	178,613	232,471
Impairment of Tangible Capital Assets	-	201,802
St'at'imc (PC) 2011 Trust	(326,626)	(214,487)
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	(593,709)	341,367
Change in Working Capital Accounts:		
Accounts Receivable	118,441	19,960
Deferred Revenue	1,557,081	250,849
Accounts Payable and Accrued Liabilities	(140,855)	(161,229)
Prepaid Expenses	13,764	20,079
Inventory	(16,793)	3,560
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	937,929	474,586
CAPITAL ACTIVITY		
Purchase of Tangible Capital Assets	(1,770)	(388,753)
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INVESTING ACTIVITY		
Proceeds from Ottawa Trust Funds	-	279,000
Reinvestment of Ottawa Trust Funds Interest	(4,535)	(6,274)
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	(4,535)	272,726
FINANCING ACTIVITY		
Repayment of Long Term Debt	(57,986)	(57,073)
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NET INCREASE IN CASH		
Cash, Beginning of the Year	873,638	301,486
	551,960	250,474
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CASH, END OF THE YEAR	1,425,598	551,960
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SUPPLEMENTARY INFORMATION (Note 3)

The accompanying summary of significant accounting policies and notes are an integral part of these consolidated financial statements.

Notes to the Consolidated Financial Statements

MARCH 31, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Basis of Presentation

These consolidated financial statements have been prepared in accordance with Canadian public sector accounting standards as defined by Public Sector Accounting Board of the Chartered Professional Accountants of Canada. The Nation segments its operations for financial reporting purposes based upon a group of activities and services. Information on the Nation's reporting segments is provided in Note 19 of these consolidated financial statements.

b) Reporting Entity and Principles of Consolidation

These financial statements consolidate the accounts of all operating segments of the Nation and all Other Government Organizations ("OGO") controlled by the Nation. The Nation's OGOs are fully consolidated on a line-by-line basis, with inter-organizational balances and transactions being eliminated. The Nation's OGOs included in these financial statements through consolidation are:

- N'Quatqua Logging Co. Ltd.
- N'Quatqua Fisheries Inc.
- N'Quatqua Employment & Economic Development Corporation

Entities owned by the Nation and meet the definition of a Government Business Enterprise, are included in the financial statements using the modified equity method. The Nation does not own any entities that meet the definition of a Government Business Enterprise.

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, may be consumed in normal operations and are not for resale. Non-financial assets include tangible capital assets and prepaid expenses.

d) Use of Estimates

The preparation of the financial statements in accordance with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. The significant areas requiring management estimates include the useful lives of tangible capital assets, valuation of accounts receivable, and estimating provisions for accrued liabilities. Actual results could differ from management's best estimates.

Notes to the Consolidated Financial Statements

MARCH 31, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

e) Revenue Recognition

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

Rental revenue is recognized as it becomes receivable under the terms of the rental agreement. Trust income, NEEDCO sales, and other revenue is recognized on an accrual basis of accounting and is recognized when the amounts can be reasonably estimated and collection reasonably assured.

f) Deferred Revenue

Funds received for specific purposes which are externally restricted by legislation, regulation or agreement and are not available for general purposes are accounted for as deferred revenue on the statement of financial position. The revenue is recognized in the statement of operations in the period when the related expenses are incurred, services performed and stipulation liabilities have been settled.

g) Cash and Equivalents

Cash consists of cash on hand, cash in transit, and cash on deposit. Cash equivalents are short-term investments with an original maturity of three months or less, made to obtain a return on a temporary basis, and are carried at cost.

Cash and equivalents that are segregated from the Nation's operating bank accounts and restricted in their use for specific purposes are presented as restricted cash in the statement of financial position.

h) Investments

The Nation accounts for its investments at cost plus accrued interest. Investments are written down to net realizable value when there has been a decline in value that is other than temporary.

i) Tangible Capital Assets

Tangible capital assets are stated at cost less accumulated amortization and are recorded in the Capital Fund. The acquisition costs of tangible capital assets and payments on capital debt, which are not funded from capital financing sources, are charged to operations through interfund transfers and matched with the applicable revenue source in the year of expenditure. Tangible capital asset acquisitions are also recorded as an addition to assets of the Capital Fund with a corresponding increase in equity in tangible capital assets.



Notes to the Consolidated Financial Statements

MARCH 31, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

i) Tangible Capital Assets (continued)

Amortization is recorded on a declining balance basis over the estimated life of the tangible capital asset commencing once the asset is available for productive use as follows:

Vehicles	20%
Fire truck	20%
Buildings	4%
Machinery and Equipment	10%
Sawmill	10%
Logging Machinery	20%
Fencing	10%
Office Furniture and Equipment	20%

Tangible capital assets are impaired when conditions indicate that they no longer contribute to the Nation'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. Impairments of tangible capital assets are accounted for as expenses in the statement of operations. Refer to Note 14 for information on impairment of tangible capital assets recognized in the period.

j) Budgeted Financial Results

Canadian public sector accounting standards requires the Nation to present a comparison of the results for the period with those originally planned. The Nation, did not officially adopt a financial plan for the year ended March 31, 2021, and therefore, no budgeted financials have been presented in these financial statements.

k) Contaminated Sites

The Nation recognizes a liability for the costs to remediate a contaminated site when an environmental standard exists, contamination exceeds the standard, the Nation has the responsibility for remediation, future economic benefits will be given up, and a reasonable estimate of the liability can be made. Refer to Note 10 for details of liabilities for contaminated sites recognized in the period. .

N'QUATQUA FIRST NATION

Notes to the Consolidated Financial Statements

MARCH 31, 2021

NOTE 2 - ECONOMIC DEPENDENCE

The Nation receives a significant portion of its revenue pursuant to a funding agreement with Indigenous Services Canada ("ISC").

NOTE 3 - CASH

	2021	2020
Operations	609,404	103,306
Social Housing	114,341	68,297
N'Quatqua Logging Co. Ltd.	22,819	22,819
N'Quatqua Fisheries Inc.	15,078	2,597
N'Quatqua Employment & Economic Development Corp.	15,467	7,549
	<hr/>	<hr/>
	777,109	204,568
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SUPPLEMENTARY INFORMATION		
Cash	777,109	204,568
Restricted Cash	648,489	444,854
Bank Indebtedness	-	(97,462)
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	1,425,598	551,960
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NOTE 4 - RESTRICTED CASH

Housing Replacement Reserve Fund (Note 12)	442,417	243,354
Minor's Trust bank account	206,072	201,500
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	648,489	444,854
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The Housing restricted cash is derived under the terms of the agreement with Canada Mortgage and Housing Corporation ("CMHC"), the account is to be credited annually. These funds along with accumulated interest, must be held in a separate bank account and/or invested only in accounts or instruments insured by the Canada Deposit Insurance Corporation.

Minor's Trust represents a previous settlement where Chief and Council made the decision to set aside monies to distribute to all members at that point in time. The Nation holds the remaining funds in trust for minors who have yet to turn 18. As members turn 18 the funds are paid out and the obligation is extinguished.



N'QUATQUA FIRST NATION

Notes to the Consolidated Financial Statements

MARCH 31, 2021

NOTE 5 - ACCOUNTS RECEIVABLE

Accounts receivable by program area is summarized as follows:

	2021	2020
Due from Funding Agencies:		
Indigenous Services Canada	40,000	34,563
CMHC Subsidies	3,938	3,938
	<hr/>	<hr/>
	43,938	38,501
Due from Band Members:		
Housing, Rent Receivable SH 1 & 2	147,107	140,553
Housing, Rents Receivable, CMHC Matured Units	216,056	240,036
Member Receivables	21,846	21,868
Allowance for Bad Debts	(76,785)	(83,428)
	<hr/>	<hr/>
	308,224	319,029
Band Sundry & Other Receivables	67,028	212,311
Goods and Service Tax Receivable	66,764	34,554
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	133,792	246,865
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	485,954	604,395
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NOTE 6 - INVENTORY

Hatchery	10,000	10,000
N'Quatqua Employment & Economic Development Corp.	49,039	32,246
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	59,039	42,246



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N'QUATQUA FIRST NATION

Notes to the Consolidated Financial Statements

MARCH 31, 2021

NOTE 7 - ST'AT'IMC (PC) 2011 TRUST	2021	2020
St'at'imc Trust bank account	905,233	717,762
St'at'imc Trust investments	1,120,875	981,720
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	2,026,108	1,699,482
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The St'at'imc Authority reached a comprehensive settlement with the Province of British Columbia and BC Hydro on May 10, 2011. The Settlement Agreement provides compensation for impacts to St'at'imc lands and people in respect of past, present and future hydro development in the St'at'imc territory, as a result, the St'at'imc (PC) 2011 Trust was established to receive settlement funds.

N'Quatqua is a beneficiary of the Trust and in accordance with the Settlement Agreement and Trust Indenture, the Nation is entitled to receive certain sums of monies from the Trust each year to be used for specific purposes as outlined in a Participating Community Resolution. The Nation's assets recorded in these financial statements represent the Nation's share of settlement funds being held in trust for the Nation.

Available Trust Revenues shall consist of funding received in a fiscal year and unused funding received in previous fiscal years. Expenditures shall consist only of expenses incurred for the purposes stated in the Indenture. The Nation is permitted to expend Trust monies on a basis consistent with the purposes specified in the Indenture. These funds invested in various investments managed and held by the trustees.

NOTE 8 - OTTAWA TRUST

The Ottawa Trust accounts 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 Revenue Fund of the Government of Canada and are subject to audit by the Office of the Auditor General of Canada. These funds are restricted in their use. The Nation is permitted to use its revenue for any purpose that will promote the general progress and welfare of the Minister of Indigenous Services Canada, with the consent of the Nation's Chief and Council. Capital funds generally must be for projects of a capital nature.

	2020	Additions	Withdrawals	2021
Revenue	318,211	4,536	-	322,747
Capital	24	-	-	24
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	318,235	4,536	-	322,771
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N'QUATQUA FIRST NATION

Notes to the Consolidated Financial Statements

MARCH 31, 2021

NOTE 9 - BANK INDEBTEDNESS

	2021	2020
Cheques issued in excess of funds on deposit	- [REDACTED]	97,462 [REDACTED]

The Nation has secured a line of credit with a limit of \$50,000 which accrues interest at 3% per annum (2020 - 3%).

NOTE 10 - ACCOUNTS PAYABLE

Accounts Payable and Accrued Liabilities	113,942 [REDACTED]	254,797 [REDACTED]
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The Nation accrued \$149,076 in 2020 related to the hazardous materials abatement and demolition of the former community building, which occurred in the current year. There is no such accrual necessary for 2021.

At March 31, 2021, \$18,725 (2020 - \$17,749) of government remittances payable was included in accounts payable.

NOTE 11 - DEFERRED REVENUE

Indigenous Services Canada	941,902	461,088
St'at'imc Minor Trust	74,919	87,948
Government of Canada	191,154	-
Province of BC	598,306	-
Tribal Councils/Associations	119,115	-
BC Hydro	108,772	-
Other	71,949 [REDACTED]	-
	2,106,117 [REDACTED]	549,036 [REDACTED]



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N'QUATQUA FIRST NATION

Notes to the Consolidated Financial Statements

MARCH 31, 2021

NOTE 12 - REPLACEMENT AND OPERATING RESERVE FUNDS

In accordance with the terms and conditions of the Operating Agreements with CMHC, the Social Housing Program must set aside funds annually for the non-annual expenditures of the Program for the repair and replacement of certain assets. These funds are held in a separate interest-bearing bank account or term deposit with the interest earned to be credited as revenue to the Replacement Reserve Fund (Note 4).

	2021	2020
Replacement Reserve Fund:		
Balance, End of Year	138,494	125,066
Restricted Cash Balance	<u>392,067</u>	<u>222,932</u>
 Total Amount Overfunded	 <u>253,573</u>	 <u>97,866</u>
 Operating Reserve Fund:		
Balance, End of Year	116,509	117,221
Restricted Cash Balance	<u>50,350</u>	<u>20,422</u>
 Total Amount Underfunded	 <u>66,159</u>	 <u>96,799</u>



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N'QUATQUA FIRST NATION

Notes to the Consolidated Financial Statements

MARCH 31, 2021

NOTE 13 - MORTGAGES AND LOANS

	2021	2020
<u>Mortgages on Social Housing Units:</u>		
All Nations Trust Company loan with payments of \$598 per month including annual interest at 2.50% with a term of five years renewable on June 1, 2023. The loan is secured by a Ministerial Guarantee from Indigenous and Northern Affairs Canada.	74,857	80,107
All Nations Trust Company loan with payments of \$741 per month including annual interest at 1.86% with a term of five years renewable on April 1, 2024. The loan is secured by a Ministerial Guarantee from Indigenous and Northern Affairs Canada.	26,636	34,955
All Nations Trust Company loan with payments of \$1,680 per month including interest at 1.14% with a term of five years renewable on May 1, 2026. The loan is secured by a Ministerial Guarantee from Indigenous and Northern Affairs Canada.	3,356	23,362
All Nations Trust Company loan with payments of \$760 per month including interest at 2.50%. The loan is maturing on April 1, 2023 and is secured by a Ministerial Guarantee from Indigenous and Northern Affairs Canada.	18,505	27,054
All Nations Trust Company loan with payments of \$1,413 per month including interest at 1.30% with a term of five years renewable on April 1, 2023. The loan is secured by a Ministerial Guarantee from Indigenous and Northern Affairs Canada.	83,388	99,250
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	206,742	264,728
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Principal payments due in each of the next five years are approximately:

2022	45,516
2023	42,413
2024	45,794
2025	34,433
2026	38,586
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	206,742
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N'QUATQUA FIRST NATION

Notes to the Consolidated Financial Statements

MARCH 31, 2021

NOTE 14 - TANGIBLE CAPITAL ASSETS

	Cost \$	Accumulated Amortization \$	Net Book Value 2021 \$	Net Book Value 2020 \$
Automotive Equipment	764,438	659,602	104,836	131,045
Land	123,077	-	123,077	123,077
Buildings	3,186,655	1,114,319	2,072,336	2,158,682
Equipment	653,495	551,353	102,143	127,008
Infrastructure	245,347	-	245,347	245,347
Computer Equipment	223,133	208,564	14,569	16,892
	5,196,145	5,196,145	2,662,308	2,802,051
Social Housing Buildings	1,679,037	845,893	833,144	867,860
N'Quatqua Fisheries Inc.	6,286	6,002	284	355
N'Quatqua Employment & Economic Development Corp.	79,241	69,983	9,258	11,572
	1,764,564	921,878	842,686	879,787
	6,960,709	6,118,023	3,504,994	3,681,838

During the 2020 year, the Nation's former community building was removed from productive use and scheduled for hazardous materials abatement and demolition, which occurred in the 2021 year. As a result, the Nation recognized an impairment of \$201,802 to the buildings and asset group (none in 2021).



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N'QUATQUA FIRST NATION

Notes to the Consolidated Financial Statements

MARCH 31, 2021

NOTE 14 - TANGIBLE CAPITAL ASSETS (Continued)

	Automotive Equipment	Buildings	Infrastructure	Equipment	Land	Computer Equipment	Total
Cost, March 31, 2020	764,438	4,865,691	245,347	719,877	123,077	240,509	6,958,939
Additions	-	-	-	598	-	1,172	1,770
Cost, March 31, 2021	764,438	4,865,691	245,347	720,475	123,077	241,681	6,960,709
Accumulated Amortization, March 31, 2020	633,393	1,839,149	-	581,367	-	223,193	3,277,102
Amortization	26,209	121,062	-	27,762	-	3,580	178,613
Disposals	-	-	-	-	-	-	-
Accumulated Amortization, March 31, 2021	659,602	1,960,211	-	609,129	-	226,773	3,455,715
Net Book Value, March 31, 2021	104,836	2,905,480	245,347	111,346	123,077	14,908	3,504,994

N'QUATQUA FIRST NATION

Notes to the Consolidated Financial Statements

MARCH 31, 2021

NOTE 14 - TANGIBLE CAPITAL ASSETS (Continued)

	Automotive Equipment	Buildings	Infrastructure	Equipment	Land	Computer Equipment	Total
Cost, March 31, 2019	666,371	5,412,174	245,347	709,191	123,077	240,509	7,396,669
Additions	98,067	280,000	-	10,686	-	-	388,753
Disposals	-	(826,483)	-	-	-	-	(826,483)
Cost, March 31, 2020	764,438	4,865,691	245,347	719,877	123,077	240,509	6,958,939
Accumulated Amortization, March 31, 2019	598,245	2,311,151	-	545,421	-	214,494	3,669,311
Amortization	35,148	152,937	-	35,687	-	8,699	232,471
Disposals	-	(624,681)	-	-	-	-	(624,681)
Accumulated Amortization, March 31, 2020	633,393	1,839,407	-	581,108	-	223,193	3,277,101
Net Book Value, March 31, 2020	131,045	3,026,284	245,347	138,769	123,077	17,316	3,681,838

Notes to the Consolidated Financial Statements

MARCH 31, 2021

NOTE 15 - CANADA MORTGAGE AND HOUSING CORPORATION SUBSIDY

The Social Housing Program has received federal assistance through Canada Mortgage and Housing Corporation pursuant to Section 56.1 of the National Housing Act to reduce mortgage interest expense to enable the program to provide housing to low-income individuals. The amount of assistance received in 2021 was \$47,241 (2020 - \$57,242).

NOTE 16 - COVID-19

On January 30, 2020, the World Health Organization ("WHO") announced a global health emergency because of a new strain of coronavirus (the "COVID-19 outbreak") and the risks to the international community as the virus spreads globally beyond its point of origin. On March 11, 2020, the COVID-19 outbreak was declared a global pandemic by the World Health Organization.

As the impacts of COVID-19 continue, there could be further effects on the Nation, its funders and its business entities. The Nation has continued to deliver services during this pandemic through a variety of means, whether face-to-face or utilizing technology as the Nation was deemed an essential service. Management is actively monitoring the effect on its financial condition, liquidity, operations and workforce. Given the daily evolution of the COVID-19 outbreak and the global responses to curb its spread, the Nation is not able to fully estimate the effects of the COVID-19 outbreak on its results of operations, financial condition, or liquidity at this time.

NOTE 17 - COMPARATIVE FIGURES

Certain comparative figures have been reclassified to confirm with the current year's presentation. There has been no impact on accumulated surplus.

N'QUATQUA FIRST NATION

Notes to the Consolidated Financial Statements

MARCH 31, 2021

NOTE 18 - EXPENSES BY ACCOUNT

	2021	2020
	\$	\$
Administration	20,122	62,169
Advertising	19,353	3,493
Amortization	178,613	232,471
Bank Charges & Interest	18,212	20,720
Catering	237,778	97,684
Computers	11,738	4,195
Contracts	610,022	418,764
Education Services	97,914	84,555
Freight	89	1,412
Fuel	-	585
Impairment of Tangible Capital Assets	-	201,802
Insurance	113,958	95,904
Honorarium	76,047	51,649
Lease Payments	11,687	10,965
Licenses, Dues & Fees	20,010	9,895
Materials & Supplies	211,226	144,805
Office Supplies	68,167	10,609
Other	209,432	214,799
Payroll	966,769	914,211
Professional Fees	778,637	451,998
Program	673,258	758,859
Registration	11	11,240
Rentals	13,544	24,168
Repairs & Maintenance	12,964	21,889
Special Events	8,347	13,708
Telephone	64,935	52,853
Training	4,873	4,768
Travel	56,198	144,494
Tuition	24,463	24,042
Utilities	36,970	45,118
	<hr/>	<hr/>
	4,545,337	4,133,824
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Notes to the Consolidated Financial Statements

MARCH 31, 2021

NOTE 19 - SEGMENT DISCLOSURE

The N'Quatqua First Nation is a diversified First Nation organization that provides a wide range of services to its members. Distinguishable functional segments have been separately disclosed in the segmented information. The nature of the segments and the activities they encompass are as follows:

Administration

This service area provides administrative services needed to support the Nation's operations and consists of revenue and expenses that relate to the operations of the Nation itself and cannot be directly attributed to a specific segment.

Community Welfare

This service area provides services to help the members by providing a variety of programs, community services and social assistance.

Operations and Maintenance

This service area provides services relating to the development, maintenance and service of the Nation's assets, infrastructure and common property.

Education

This service area provides educational services through elementary, secondary and post secondary education support for the operations of various other educational programs. The goal of this segment is to enhance the educational opportunities of the Nation's Members.

Economic Development

This service area provides for the development of economic opportunities to the members.

Health Services

This service area provides for health related services and programs to the members.

Natural Resource Management

This service area includes exploration of natural resources and development of natural resource revenues.

Capital

This service area provides for the development of new capital projects and infrastructure programs on the reserve.

Social Housing

This service area provides for social housing for the members.



N'QUATQUA FIRST NATION

Notes to the Consolidated Financial Statements

MARCH 31, 2021

NOTE 19- SEGMENT DISCLOSURE (Continued)

2021

	Administration	Operations & Maintenance	Education	Economic Development	Health Services	Natural Resource	Social Housing	Total
Revenue								
ISC	404,874	239,328	216,470	-	889,141	-	-	1,749,813
Other	592,615	17,320	138,310	799,861	642,656	27,200	131,866	2,349,828
Total	420,884	256,648	354,780	799,861	1,531,797	27,200	131,866	4,099,641
Expenses								
Wages and benefits	174,848	69,836	180,139	68,762	336,101	90,489	46,594	966,769
Purchases	353,650	383,029	355,701	1,113,450	1,132,171	14,711	47,243	3,399,955
Amortization	95,523	-	-	4,077	-	68	78,945	178,613
Total	624,021	452,865	535,840	72,839	1,468,272	105,268	172,782	4,545,337
Surplus (Deficit)	(203,137)	709,513	(181,060)	727,022	63,525	(78,068)	(40,916)	(445,696)

N'QUATQUA FIRST NATION

Notes to the Consolidated Financial Statements

MARCH 31, 2021

NOTE 19- SEGMENT DISCLOSURE (Continued)

2020

	Administration	Operations & Maintenance	Education	Economic Development	Health Services	Natural Resource	Social Housing	Total Total
Revenue								
ISC	284,632	168,251	152,181	-	625,078	-	-	1,230,142
Other	762,956	22,298	178,066	1,029,774	827,381	35,019	169,769	3,025,263
Total	1,047,588	190,549	330,247	1,029,774	1,452,459	35,019	169,769	4,255,405
Expenses								
Wages and benefits	165,343	66,039	170,347	65,024	317,830	85,567	44,061	914,211
Purchases	289,720	313,788	291,400	912,170	927,507	12,052	38,703	2,785,340
Impairment	201,802	-	-	-	-	-	-	201,802
Amortization	124,328	-	-	5,306	-	88	102,749	232,471
Total	781,193	379,827	461,747	982,500	1,245,337	97,707	185,513	4,133,824
Surplus (Deficit)	266,395	(189,278)	(131,500)	47,274	207,122	(62,688)	(15,744)	121,581

Community Welfare and Capital segments not included in the above as there was no revenue or expenses in 2021 or 2020.