

**Kwikwasut'inuxw Haxwa'mis First Nation**

**Financial Statements**

**March 31, 2019**

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# **Kwikwasut'inuxw Haxwa'mis First Nation**

## **Consolidated Financial Statements**

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**March 31, 2019**

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### **Management's Statement of Responsibility for Financial Reporting**

### **Independent Auditor's Report**

#### **Financial Statements**

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## Kwikwasut'inuxw Haxwa'mis First Nation

### Management's Statement of Responsibility for Financial Reporting

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March 31, 2019

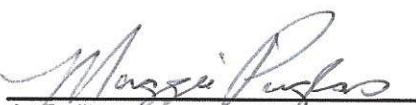
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The accompanying consolidated financial statements are the responsibility of management. The consolidated financial statements have been prepared by management in accordance with Canadian public sector accounting standards and necessarily include estimates which are based on management's best judgments.

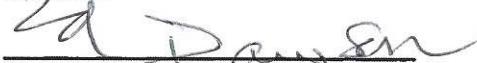
Management is also responsible for implementing and maintaining a system of internal controls designed to give reasonable assurance that transactions are appropriately authorized, assets are safeguarded from loss and financial records are properly maintained to provide reliable information for the preparation of consolidated financial statements.

Council is responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control. The consolidated financial statements have been reviewed and approved by Chief and Council.

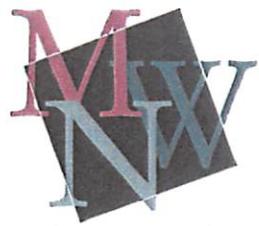
McINTOSH | NORTON | WILLIAMS, an independent firm of chartered professional accountants, has been engaged to examine the consolidated financial statements in accordance with Canadian generally accepted auditing standards. Their report stating the scope of their examination and opinion on the consolidated financial statements follows.

  
Councillor

Dec 9 2019  
Date

  
Councillor

Dec 9, 2019  
Date



MINTOSH | NORTON | WILLIAMS  
Chartered Professional Accountants

Cory McIntosh, CPA, CGA CAFM, CFP\*  
Jason S. Moore, BA, CPA, CGA\*  
Michael K. Williams, CPA, CGA\*

*\*practising as a professional corporation.*

*'It's not what you earn, it's what you keep!'*

## Independent Auditor's Report

**To the Members of  
Kwikwasut'inuxw Haxwa'mis First Nation**

*Qualified Opinion*

We have audited the consolidated financial statements of Kwikwasut'inuxw Haxwa'mis First Nation, which comprise the consolidated statement of financial position as at March 31, 2019, and the consolidated 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 possible 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, 2019, 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.

*Basis for Qualified Opinion*

As described in Note 3, the investment in T'Se'Kame' Forestry Limited Partnership is accounted for on the modified equity basis. The investment is carried at \$184,148 on the consolidated statement of financial position as at March 31, 2019 and Kwikwasut'inuxw Haxwa'mis First Nation's share of T'Se'Kame' Forestry Limited Partnership's net income of \$114,970 is included in income for the year then ended. We were unable to obtain sufficient appropriate audit evidence about the carrying amount of Kwikwasut'inuxw Haxwa'mis First Nation's investment in T'Se'Kame' Forestry Limited Partnership as at December 31, 2018 and the share of net income for the year. Consequently, we were unable to determine whether any adjustments to these amounts were necessary.

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 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.

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## **Independent Auditor's Report, continued**

### *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 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.

### *Auditor's 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. 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 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 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.

### **Independent Auditor's Report, continued**

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.

*McIntosh Norton Williams*  
**McINTOSH | NORTON | WILLIAMS**  
chartered professional accountants

**Qualicum Beach, British Columbia**  
**December 6, 2019**

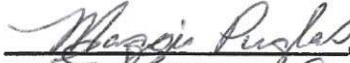
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**Kwikwasut'inuxw Haxwa'mis First Nation****Consolidated Statement of Financial Position**

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March 31	2019 Actual	2018 Actual
	\$	\$
<b>Financial Assets</b>		
Cash	2,377,440	1,062,043
Accounts receivable	345,335	176,641
Long term investments (Note 3)	323,945	169,051
Restricted cash (Note 4)	14,239	13,233
	<b>3,060,959</b>	<b>1,420,968</b>
<b>Liabilities</b>		
Accounts payable (Note 5)	400,114	123,866
Wages and benefits payable	13,441	11,314
Deferred revenue	59,346	59,346
Long-term debt (Note 6)	716,829	417,383
	<b>1,189,730</b>	<b>611,909</b>
<b>Net financial assets - Page 2</b>	<b>1,871,229</b>	<b>809,059</b>
<b>Non-financial Assets</b>		
Prepaid expenses	43,571	21,856
Tangible capital assets (Note 7)	10,183,940	10,109,133
	<b>10,227,511</b>	<b>10,130,989</b>
<b>Accumulated Surplus (Note 8)</b>	<b>12,098,740</b>	<b>10,940,048</b>

Approved on behalf of the Kwikwasut'inuxw Haxwa'mis First Nation

 Maggi Puglisi, Councillor  
 Ed Dawson, Councillor

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**Kwikwasut'inuxw Haxwa'mis First Nation****Consolidated Statement of Change in Net Financial Assets**

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<b>For the year ended March 31</b>	<b>2019 Actual</b>	<b>2018 Actual</b>
	\$	\$
<b>Excess of revenue over expenditures - Page 3</b>	<b>1,158,692</b>	<b>148,816</b>
Acquisition of tangible capital assets	(593,820)	(1,324,592)
Amortization of tangible capital assets	<b>519,013</b>	<b>522,535</b>
	<b>(74,807)</b>	<b>(802,060)</b>
Acquisition of prepaid asset	<b>(21,715)</b>	<b>(4,796)</b>
Increase (decrease) in net financial assets	<b>1,062,170</b>	<b>(658,040)</b>
Net financial assets at beginning of year	<b>809,059</b>	<b>1,467,099</b>
<b>Net financial assets at end of year - Page 1</b>	<b>1,871,229</b>	<b>809,059</b>

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The accompanying notes are an integral part of the financial statements

## Kwikwasut'inuxw Haxwa'mis First Nation

### Consolidated Statement of Operations and Accumulated Surplus

For the year ended March 31	2019 Budget (Unaudited)	2019 Actual	2018 Actual
	\$	\$	\$
<b>Revenue</b>			
Federal Government:			
Indigenous Services Canada	<b>1,172,462</b>	<b>1,251,526</b>	1,679,955
Province of B.C.	-	<b>1,250,000</b>	20,000
International Forest Products	-	<b>778,713</b>	171,915
Other revenue	<b>6,178</b>	<b>443,652</b>	93,970
Inter Tribal Health Authority	<b>372,801</b>	<b>207,653</b>	219,126
First Nation Health Authority	-	<b>166,480</b>	-
Net income (loss) from T'Se'Kame' Forestry LP	-	<b>114,970</b>	(1,320)
Rental income	-	<b>38,250</b>	36,000
Net income (loss) from Musgamagw Fisheries Group Limited Partnership	-	<b>25,333</b>	115,448
T'Se'Kame' Forestry	-	<b>18,000</b>	18,000
Interest income	-	<b>15,374</b>	13,061
North Vancouver Island Aboriginal Training Society	<b>13,944</b>	<b>14,832</b>	3,043
User fees	<b>26,000</b>	<b>14,684</b>	18,317
Musgamagw Dzawada'enuxw Tribal Council	<b>18,367</b>	-	18,265
Net income (loss) from T'Se'Kame' Forestry Ltd.	-	<b>12</b>	-
	<b>1,609,752</b>	<b>4,339,479</b>	2,405,780
<b>Expenditures (Note 9)</b>			
Operating Fund	<b>1,609,248</b>	<b>3,180,787</b>	2,256,964
<b>Excess of revenue over expenditures- Page 2</b>	<b>504</b>	<b>1,158,692</b>	148,816
<b>Surplus at beginning of year</b>	-	<b>10,940,048</b>	<b>10,791,232</b>
<b>Surplus at end of year</b>	<b>504</b>	<b>12,098,740</b>	<b>10,940,048</b>

The accompanying notes are an integral part of the financial statements

# Kwikwasut'inuxw Haxwa'mis First Nation

## Consolidated Statement of Cash Flows

For the year ended March 31, 2019	2019 Actual	2018 Actual
	\$	\$
<b>Cash flows from</b>		
<b>Operating activities</b>		
Excess of revenue over expenditures	1,158,692	148,816
Items not affecting cash		
Amortization of tangible capital assets	519,013	522,535
	1,677,705	671,351
Change in non-cash operating working capital		
Accounts receivable	(168,694)	(17,841)
Prepaid expenses	(21,715)	(4,796)
Restricted cash	(1,006)	(840)
Accounts payable	276,246	3,594
Wages and benefits payable	2,127	(1,037)
	1,764,663	650,431
<b>Capital activities</b>		
Purchase of capital assets	(593,820)	(1,324,593)
<b>Financing activities</b>		
Proceeds from long term debt	320,000	-
Repayment of long term debt	(20,552)	(12,590)
Long term investments	(154,894)	(57,308)
	144,554	(69,898)
<b>Increase (decrease) in cash and cash equivalents</b>	<b>1,315,397</b>	<b>(744,060)</b>
<b>Cash and cash equivalents, beginning of year</b>	<b>1,062,043</b>	<b>1,806,103</b>
<b>Cash and cash equivalents, end of year</b>	<b>2,377,440</b>	<b>1,062,043</b>

The accompanying notes are an integral part of the financial statements

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# **Kwikwasut'inuxw Haxwa'mis First Nation**

## **Notes to Consolidated Financial Statements**

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**March 31, 2019**

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### **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 Chartered Professional Accountants of Canada.

#### **(a) Fund Accounting**

The Kwikwasut'inuxw Haxwa'mis First Nation uses fund accounting procedures which result in a self-balancing set of accounts for each fund established by legal, contractual, or voluntary actions. The various funds have been amalgamated for the purposes of presentation in the summary financial statements. Details of the operations of each fund are set out in the supplementary schedules.

#### **(b) Reporting Entity Principles of Financial Reporting**

The Kwikwasut'inuxw Haxwa'mis First Nation reporting entity includes the Kwikwasut'inuxw Haxwa'mis First Nation Council and all related entities which are accountable to the First Nation and are either owned, directly or indirectly, or controlled by the Kwikwasut'inuxw Haxwa'mis First Nation.

These financial statements report on the assets, liabilities and results of operations for the following funds which use accounting principles that lend themselves to consolidation:

1. Operating Fund - reports the general activities and capital assets of the First Nation, together with their related financing
2. Trust Fund - reports on trust funds owned by the First Nation and held by the Government of Canada
3. Enterprise Fund - reports the income/loss and investment in entities that the First Nation is invested in

All inter-entity balances have been eliminated on summarization, but in order to present the results of operations for each specific fund, transactions amongst funds have not necessarily been eliminated on the individual schedules.

#### **(c) 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.

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# **Kwikwasut'inuxw Haxwa'mis First Nation**

## **Notes to Consolidated Financial Statements**

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**March 31, 2019**

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### **1. Basis of Presentation and Significant Accounting Policies (continued)**

#### **(d) Cash**

Cash includes 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.

#### **(e) 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.

#### **(f) Comparative Figures**

Comparative figures have been reclassified, where applicable, to conform to current presentation.

#### **(g) Budget**

The budgeted figures reported in the financial statements have been prepared for comparison purposes and have been derived from estimates prepared by management and council. Not all aspects of the financial statements and supporting schedules have budget figures and therefore the budget is incomplete and is unaudited.

#### **(h) Use of Estimates**

In preparing the consolidated financial statements for the Council, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities, at the date of the consolidated financial statements and the reported amounts of revenue and expenses during the period. Items requiring the use of significant estimates include accounts receivable, allowance for doubtful accounts, tangible capital assets (amortization), accounts payable and accrued liabilities. Actual results could differ from these estimates.

### **2. Related Party Transactions**

During the year the First Nation entered into transactions with T'se'kame' Forestry Limited Partnership. The transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

During the current year the First Nation charged contract fees in the amount of \$18,000 (2018 - \$18,000) for administration fees.

T'se'kame' Forestry Limited Partnership charged the First Nation \$27,300 (2018 - \$27,300) for garbage collection services and \$132,315 (2018 - \$45,835) for water taxi services which are included in expenses in the current year financial statements

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## Kwikwasut'inuxw Haxwa'mis First Nation

### Notes to Consolidated Financial Statements

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March 31, 2019

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#### 3. Long Term Investments

	2019	2018
	\$	\$
T'Se'Kame' Forestry Ltd.	(984)	(995)
T'Se'Kame' Forestry Limited Partnership	184,148	54,598
Musgamagw Fisheries Group Limited Partnership	140,781	115,448
	<b>323,945</b>	<b>169,051</b>

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The First Nation owns 100% of the common shares of T'se'kame' Forestry Ltd. (TFL). The investment is recorded on the modified equity basis and is comprised of common shares of \$1 and retained deficit of \$984 (2017 - \$996). The company had assets of \$18 (2017 - \$6) and liabilities of \$1,002 (2017 - \$1,002) as at December 31, 2018; revenues of \$12 (2017 - nil) and expenses of nil (2017 - nil) for the year then ended.

T'Se'Kame' Forestry Limited Partnership (TFLP):

- The general partner of TFLP is TFL owning 0.01% of the partnership units.
- The limited partner of TFLP, owning 99.99% of the partnership units, is Kwikwasut'inuxw Haxwa'mis First Nation.

The investment is recorded on the modified equity basis and is comprised of units of \$9,999 and partnership surplus of \$121,267 (2017 - \$6,298). The limited partnership had assets of \$276,885 (2017 - \$282,130) and liabilities of \$145,601 (2017 - \$265,824) as at December 31, 2018; revenues of \$402,716 (2017 - \$175,278) and expenses of \$287,735 (2017 - \$176,598) for the year then ended. An amount of \$52,881 (2017 - \$38,301) is owing to the First Nation at March 31, 2019.

The First Nation owns 33.33% of the common shares of Musgamagw Fisheries Group GP Ltd. (MFGL). The investment is recorded on the modified equity basis and is comprised of common shares of \$100 and retained deficit of \$982 (2018 - \$465). The company had assets of \$300 (2018 - \$335) and liabilities of \$982 (2018 - \$500) as at December 31, 2018; revenues of \$8 (2018 - \$35) and expenses of \$525 (2018 - \$500) for the year then ended.

Musgamagw Fisheries Group Limited Partnership (MFLP):

- The general partner of MFLP is MFGL owning 0.01% of the partnership units.
- The limited partner of MFLP, owning 33.33% of the partnership units, is Kwikwasut'inuxw Haxwa'mis First Nation. The remaining partnership units are owned by two other First Nations.

The investment is recorded on the modified equity basis and is comprised of units of \$33 and partnership surplus(deficit) of \$140,748 (2018 - \$346,379). The limited partnership had assets of \$749,911 (2018 - \$639,568) and liabilities of \$328,049 (2018 - \$293,189) as at March 31, 2019; revenues of \$438,326 (2018 - \$561,088) and expenses of \$362,318 (2018 - \$214,709) for the year then ended

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## **Kwikwasut'inuxw Haxwa'mis First Nation**

### **Notes to Consolidated Financial Statements**

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**March 31, 2019**

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#### **4. Restricted Cash**

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.

	<b>2019</b>	<b>2018</b>
	\$	\$
Ottawa Trust Funds - Revenue	<b>8,525</b>	7,520
Ottawa Trust Funds - Capital	<b>5,714</b>	5,713
	<b>14,239</b>	13,233

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#### **5. Accounts payable**

The balance includes an amount of \$16,540 payable to a related party which is due in the normal course of business.

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## **Kwikwasut'inuxw Haxwa'mis First Nation**

### **Notes to Consolidated Financial Statements**

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**March 31, 2019**

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#### **6. Long-term Debt**

	<b>2019</b>	<b>2018</b>
	\$	\$
Peace Hills Trust housing mortgage, repayable at \$1,340 per month including interest at 3.95%; secured by guarantee of AANDC; renewal January 2021.	<b>193,888</b>	200,949
Peace Hills Trust housing mortgage, repayable at \$1,234 per month including interest at 3.95%; secured by guarantee of AANDC; renewal date January 2020.	<b>209,941</b>	216,434
Peace Hills Trust housing mortgage, repayable at \$1,690 per month including interest at 3.95%; secured by guarantee of AANDC; renewal date April 2023.	<b>313,000</b>	-
	<b>716,829</b>	417,383

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Principal portion of long-term debt due within the next five years:

2020	223,164
2021	195,125
2022	8,684
2023	9,034
2024 and thereafter	280,822
	<b>716,829</b>

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## Kwikwasut'inuxw Haxwa'mis First Nation

### Notes to Consolidated Financial Statements

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March 31, 2019

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#### 7. Tangible Capital Assets

Tangible capital assets are amortized over their useful lives on the declining balance method, at the annual rates indicated below. One-half of the amortization rates are applied to assets acquired during the year. Assets are not amortized in the year of disposition.

Capital assets acquired after March 31, 1986 are recorded at cost and charged to operations in the year the assets were acquired. The First Nation has not capitalized capital assets acquired before April 1, 1986.

	Rate	Balance, beginning of year				Accumulated amortization			Net book value	
			Additions	Disposals	Balance, end of year	Balance, beginning of year	Amortization	Balance, end of year	2019	2018
Buildings	4%	6,827,015	2,071,805	-	8,898,820	2,181,112	227,272	2,408,384	6,490,436	4,645,903
Computer equipment	30%	49,460	-	-	49,460	43,933	1,659	45,592	3,868	5,527
Construction in progress		2,728,400	593,820	(2,071,805)	1,250,415	-	-	-	1,250,415	2,728,400
General equipment	20%	1,573,838	-	-	1,573,838	1,404,221	33,924	1,438,145	135,693	169,617
Infrastructure	10%	6,765,819	-	-	6,765,819	4,207,991	255,785	4,463,776	2,302,043	2,557,828
Office equipment	20%	75,887	-	-	75,887	74,053	366	74,419	1,468	1,834
Vehicles	30%	8,390	-	-	8,390	8,366	7	8,373	17	24
		18,028,809	2,665,625	(2,071,805)	18,622,629	7,919,676	519,013	8,438,689	10,183,940	10,109,133

Construction in progress primarily consists of subdivision development and construction costs including engineering, design, materials and contracting that are incomplete at year end and are therefore not being amortized.

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## **Kwikwasut'inuxw Haxwa'mis First Nation**

### **Notes to Consolidated Financial Statements**

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**March 31, 2019**

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#### **8. Accumulated Surplus**

Accumulated surplus is comprised of:

	<b>2019</b>	<b>2018</b>
	\$	\$
Restricted Trust Fund	<b>14,239</b>	13,233
Unrestricted Operating Fund	<b>11,780,487</b>	10,763,116
Enterprise Fund	<b>304,014</b>	163,700
	<b>12,084,501</b>	10,926,816
	<b>12,098,740</b>	10,940,049

# Kwikwasut'inuxw Haxwa'mis First Nation

## Notes to Consolidated Financial Statements

March 31, 2019

### 9. Expenditures

For the year ended March 31	2019 Budget	2019 Actual	2018 Actual
	\$	\$	\$
Advertising	-	-	460
Amortization	-	519,013	522,535
Bad debts	-	6,965	10,983
Basic needs	99,017	131,763	131,491
Child nutrition	3,600	1,163	1,890
Community activities	4,800	26,901	4,868
Contract fees	41,600	157,535	289,267
Council travel	30,000	49,263	61,929
Cultural enrichment	23,760	37,557	24,578
Elder costs	9,600	9,740	7,502
Election costs	-	1,481	5,210
Equipment	-	-	1,070
First Responders	4,550	7,786	7,050
Fuel	245,004	280,932	263,037
Healthy families	61,500	115,154	47,263
Home and community care	6,360	10,015	7,655
Honoraria	59,514	88,609	55,279
Insurance	10,800	21,269	20,907
Interest and bank charges	7,000	7,344	9,323
Interest on long-term debt	-	27,604	18,295
Licenses, dues and fees	500	1,386	285
Materials and supplies	292,598	16,253	23,816
Meetings	-	1,537	332
Members assistance	-	-	1,000
Office expenses	22,196	15,811	17,375
Post secondary costs	136,200	155,687	116,341
Recovery of funding	-	7,948	-
Professional fees	31,000	695,425	82,941
Rent	7,200	7,200	7,200
Repairs and maintenance	71,500	77,986	60,050
Sports and recreation	3,200	468	2,972
Student living allowance and tuition	1,033	260	1,000
Student transportation	1,920	5,010	1,920
Travel	47,845	171,317	36,501
Utilities and telephone	18,997	27,974	27,555
Wages and benefits	346,016	393,611	353,429
Workshops and meeting costs	21,938	102,820	33,655
	1,609,248	3,180,787	2,256,964

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## **Kwikwasut'inuxw Haxwa'mis First Nation**

### **Notes to Consolidated Financial Statements**

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**March 31, 2019**

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#### **10. Employment Retirement Plan**

The organization has a defined contribution plan for its employees. Participation in the pension plan is available to substantially all employees. Employees may contribute 5% of their gross pay with the organization making a matching contribution to the plan. Any voluntary amounts paid by the employee are not matched. Total employer contributions for 2019 were \$9,337 ( 2018 - \$7,630).

#### **11. Economic Dependence**

Kwikwasut'inuxw Haxwa'mis First Nation receives the majority of its operating revenues in the form of grants and contributions from Indigenous Services Canada. The nature and extent of this revenue is of such significance that the First Nation is dependent on this source of revenue. The amount of funding for each fiscal period from this entity is uncertain as the grants and contributions are subject to annual review and negotiation.

#### **12. Financial Instruments**

The financial instruments of the First Nation consist of cash, accounts receivable, accounts payable and accrued liabilities, wages and benefits payable, and long term debt. Unless otherwise noted, it is Council's opinion that the First Nation is not exposed to significant interest, currency, or credit risks arising from these financial instruments and that the carrying value approximate fair values.

#### **13. Subsequent Events**

Subsequent to the year end, a settlement was reached with the Provincial government regarding fish farms and sea lice monitoring with the implementation of the Broughton First Nations Indigenous Monitoring and Inspection Plan (IMIP). The IMIP establishes First Nations oversight of fish farms operating in the territories of several First Nations and the agreement is in effect until 2023. Total funding is estimated to be \$7 million to be shared by the First Nations and IMIP over the coming years.