

EHATTESAHT/CHINEHKINT FIRST NATION

Financial Statements

March 31, 2021

EHATTESAHT/CHINEHKINT FIRST NATION

Financial Statements

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Year Ended March 31, 2021

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MANAGEMENT REPORT

March 31, 2021

The Council of Ehattesaht/Chinehkint First Nation has delegated the responsibility for the integrity and objectivity of the financial information contained in the financial statements to the management of Ehattesaht/Chinehkint First Nation. The 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 financial statements. These systems are monitored and evaluated by management.

Ehattesaht/Chinehkint First Nation's independent auditors, Chan Nowosad Boates Inc., Chartered Professional Accountants, are engaged to express an opinion as to whether these financial statements present fairly Ehattesaht/Chinehkint First Nation's financial position and 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 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 statements present, in all significant respects the financial position of Ehattesaht/Chinehkint First Nation as at March 31, 2021.



Darlene Smith, Band Manager
September 27, 2021



INDEPENDENT AUDITOR'S REPORT

To Chief and Council and the Members of Ehlettesah/Chinehkint First Nation,

Qualified Opinion

We have audited the financial statements of Ehlettesah/Chinehkint First Nation (the "Nation"), which comprise the statement of financial position as at March 31, 2021, and the statements of operations and accumulated surplus, changes in net financial assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Nation as at March 31, 2021, and the results of its financial performance and cash flows for the year then ended in accordance with Canadian public sector accounting standards (PSAS).

Basis for Qualified Opinion

An audit has not been performed for all the Nation's affiliated entities. accordingly, we were not able to determine if any adjustments might be required to the Investments in First Nation Affiliated Entities on the Statement of Financial Position and the related income from Government Business Entities presented on the Statement of Operations.

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 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 financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

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

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

In preparing the 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 to cease operations of the Nation, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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.

Auditor's Responsibilities for the Audit of the Financial Statements (continued)

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 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 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Chan Nowsad Boates Inc

Chartered Professional Accountants
Campbell River, BC

September 27, 2021

EHATTESAHT/CHINEHKINT FIRST NATION

Statement of Financial Position

March 31, 2021

2021

2020

FINANCIAL ASSETS

	\$	\$
Cash and Cash Equivalents (Note 2)	6,212,026	3,785,072
Trust Funds Held by Federal Government (Note 3)	89,359	87,175
Accounts Receivable (Note 4)	904,376	333,908
Due from Government and Government Organizations (Note 5)	569,036	506,408
Portfolio Investment (Note 6)	110	110
Investments in First Nation Affiliated Entities (Note 7)	7,473,319	7,130,564
Due from Related Entities (Note 8)	<u>2,486,587</u>	<u>2,551,279</u>
	<u>17,734,813</u>	<u>14,394,516</u>

LIABILITIES

Accounts Payable and Accrued Liabilities (Note 9)	326,371	192,537
Due to Government and Government Organizations (Note 10)	33,972	13,335
Deferred Revenue (Note 11)	399,530	118,262
Replacement Reserve (Note 12)	8,877	7,397
Operating Reserve (Note 12)	10,080	10,080
Long Term Debt (Note 13)	<u>845,953</u>	<u>923,227</u>
	<u>1,624,783</u>	<u>1,264,838</u>

NET FINANCIAL ASSETS

16,110,030

13,129,678

NON-FINANCIAL ASSETS

Prepaid Expenses	5,765	10,470
Tangible Capital Assets (Note 14)	<u>3,064,599</u>	<u>2,950,007</u>
	<u>3,070,364</u>	<u>2,960,477</u>

ACCUMULATED SURPLUS **(Note 15)**

19,180,394

16,090,155

Approved by:



Chief



Councillor

EHATTESAHT/CHINEHKINT FIRST NATION

Statement of Operations and Accumulated Surplus

Year Ended March 31, 2021

	2021		2020
	Actual \$	Budget \$	2020 \$
Revenue			
Nuu-chah-nulth Tribal Council	2,683,062	1,486,567	1,891,945
Canadian Mortgage Housing Corporation	8,775	8,775	8,744
Province of British Columbia	659,171	120,115	140,062
Income from Government Business Entities	1,469,103	980,148	684,734
First Peoples Heritage	174,870	159,980	162,647
Rent	124,880	128,280	124,847
Road Use	75,484	120,000	120,000
Royalties	1,104,828	35,000	726,521
Fishing	35,400	10,000	-
Interest Income	31,688	13,539	144,951
Other	485,989	191,542	165,553
	<u>6,853,250</u>	<u>3,253,946</u>	<u>4,170,004</u>
Expenditures (Note 20)			
Core Government	2,122,248	2,337,615	1,439,983
Community Development	640,952	275,622	505,040
Housing	227,560	138,827	244,808
Capital	143,526	205,496	151,289
Economic Development	628,717	189,113	726,808
Treaty	8	31,839	10,114
	<u>3,763,011</u>	<u>3,178,512</u>	<u>3,078,042</u>
Operating Surplus			
	3,090,239	75,434	1,091,962
NTC - Treaty Loan Forgiveness			
	<u>-</u>	<u>-</u>	<u>1,143,669</u>
Annual Surplus			
	3,090,239	<u>75,434</u>	2,235,631
Accumulated Surplus - Beginning of Year			
	16,090,155		13,854,524
Accumulated Surplus - End of Year			
	<u>19,180,394</u>		<u>16,090,155</u>

EHATTESAHT/CHINEHKINT FIRST NATION

Statement of Changes in Net Financial Assets

Year Ended March 31, 2021

	2021	2020
	\$	\$
Annual Surplus	<u>3,090,239</u>	<u>2,235,631</u>
Purchase of Tangible Capital Assets	(415,828)	(181,656)
Amortization of Tangible Capital Assets	<u>301,236</u>	<u>327,190</u>
	<u>(114,592)</u>	<u>145,534</u>
Use (Acquisition) of Prepaid Asset	<u>4,705</u>	<u>(6,176)</u>
Increase in Net Financial Assets	<u>2,980,352</u>	<u>2,374,989</u>
Net Financial Assets - Beginning of Year	<u>13,129,678</u>	<u>10,754,689</u>
Net Financial Assets - End of Year	<u>16,110,030</u>	<u>13,129,678</u>

EHATTESAHT/CHINEHKINT FIRST NATION

Statement of Cash Flows

Year Ended March 31, 2021

2021

2020

Cash Flows From Operating Activities:

Cash Flows from Government and Other Sources	6,499,238	3,822,476
Cash Paid to Suppliers and Employees	(3,301,119)	(2,930,799)
	<u>3,198,119</u>	<u>891,677</u>

Cash Flows From Capital Activities:

Purchase of Tangible Capital Assets	(415,828)	(181,656)
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Cash Flows From Investing Activities:

Payments from (to) Related Entities	64,692	(210,428)
Investment in (Draws from) First Nation Entities	(342,755)	363,410
Investment in Portfolio Investment	<u>-</u>	<u>(110)</u>
	<u>(278,063)</u>	<u>152,872</u>

Cash Flows From Financing Activities:

Repayment of Long Term Debt	(77,274)	(67,455)
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Increase in Cash and Cash Equivalents	2,426,954	795,438
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Cash and Cash Equivalents - Beginning of Year	3,785,072	2,989,634
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Cash and Cash Equivalents - End of Year	6,212,026	3,785,072
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EHATTESAHT/CHINEHKINT FIRST NATION

Notes to Financial Statements

March 31, 2021

1. Significant Accounting Policies:

a) Basis of Accounting:

These financial statements are the representations of management and have been prepared in accordance with Canadian public sector accounting standards prescribed for governments, as recommended by the Public Sector Accounting Board of CPA Canada.

b) Basis of Presentation:

The financial statements include The Ehlettesaht/Chinehkint First Nation (the "Nation") government.

The Nation accounts for their investments in government business enterprises (GBE's) or partnerships using the modified equity method. Under the modified equity method of accounting, only the Nation's investment in the business entities and the entities' net income and other changes in equity are recorded. No adjustment is made for accounting policies that are different from those of the Nation, except that any other comprehensive income of the business entities is accounted for as an adjustment to the accumulated surplus or deficit. Inter-organizational transactions and balances are not eliminated.

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

Hattesaht Fishing Corporation
Hayu Fishing Limited Partnership
Hayu Fishing Ltd.
Aat'uu Forestry Limited Partnership
Aat'uu Forestry Ltd.
0754140 BC Ltd.
Bar Creek Ltd.
0881643 BC Ltd.
Zeballos Lake Hydro 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, property under development, and prepaid expenses. Intangible assets, and items inherited by right of the Nation, are not recognized in the financial statements.

d) 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. Amortization is provided for using the following rates and methods:

Subdivision Costs	20yr	straight line
Infrastructure	10yr	straight line
Capital Housing	20yr	straight line
Equipment	5yr	straight line
Vehicles	30%	declining balance
Fishing Equipment	15-20%	declining balance and straight line
Social Housing Houses	25yr	straight line

EHATTESAHT/CHINEHKINT FIRST NATION

Notes to Financial Statements

March 31, 2021

1. Significant Accounting Policies (continued):

d) Tangible Capital Assets (continued):

Tangible capital assets are written down 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 assets are less than their net book value. The net writedowns are accounted for as expenses in the statement of operations.

e) Revenue Recognition:

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

Government transfers are recognized as revenues when the transfer is authorized and any eligibility criteria are met, except to the extent that transfer stipulations give rise to any obligation that meets the definition of a liability. Transfers are recognized as deferred revenue when transfer stipulations give rise to a liability. Transfer revenue is recognized in the statement of operations as the stipulation liabilities are settled. Contributions from other sources are deferred when restrictions are placed on their use by the contributor, and are recognized as revenue when used for the specific purpose.

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

f) Measurement Uncertainty:

In preparing the financial statements for the Nation, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent liabilities, at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the period. Significant estimates include the allowance for doubtful accounts and the estimated useful lives of tangible capital assets. Actual results could differ from these estimates.

g) 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 Nation is either directly responsible or accepts responsibility, it is expected that the 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 is reduced by expected net recoveries based on information available at March 31, 2021.

As at March 31, 2021, no liability for contaminated sites exists.

EHATTESAHT/CHINEHKINT FIRST NATION

Notes to Financial Statements

March 31, 2021

2. Cash and Cash Equivalents:

Under the terms of an agreement with Canada Mortgage and Housing Corporation (CMHC), the Nation must set aside funds annually for the repair, maintenance and replacement of worn out assets. These funds, along with accumulated interest, must be held in separate bank accounts, with the agreement with CMHC requiring its own bank account. The funds are to be invested only in accounts or instruments insured by the Canada Deposit Insurance Corporation or as may otherwise be approved by CMHC from time to time. The funds in the account may only be used for CMHC approved expenditures. Included in cash at March 31, 2021 was \$2,536 (2020 - \$1,723) that is restricted by the terms of the Nations agreement with CMHC for repair, maintenance and replacement of worn out assets.

The Nation is also required to maintain a separate bank account for the operating surplus resulting from the operation of the program under the agreement, known as the operating reserve. At March 31, 2021 as well as in the prior period the Nation did not have a separate account maintained with an operating reserve balance.

3. Trust Funds Held by Federal Government:

	<u>2020</u>	Additions	Withdrawals	<u>2021</u>
	\$	\$	\$	\$
Revenue	79,849	2,184	-	82,033
Capital	7,326	-	-	7,326
	<u>87,175</u>	<u>2,184</u>	<u>-</u>	<u>89,359</u>

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*.

4. Accounts Receivable:

	<u>2021</u>	<u>2020</u>
	\$	\$
Trade Receivables	505,339	188,294
Band Members	253,412	252,076
Aat'uuk Forestry Limited Partnership	343,200	80,000
	<u>1,101,951</u>	<u>520,370</u>
Less: Allowance for Doubtful Accounts	<u>(197,575)</u>	<u>(186,462)</u>
	<u>904,376</u>	<u>333,908</u>

5. Due from Government and Other Government Organizations:

	<u>2021</u>	<u>2020</u>
	\$	\$
Nuu-chah-nulth Tribal Council	556,155	495,199
Sales Taxes Recoverable	12,153	10,481
Canada Mortgage and Housing Corporation	728	728
	<u>569,036</u>	<u>506,408</u>

EHATTESAHT/CHINEHKINT FIRST NATION

Notes to Financial Statements

March 31, 2021

6. Portfolio Investment:

The portfolio investment consist of an investment in the BC Gaming First Nations Revenue Sharing Limited Partnership, which is recorded at cost.

7. Investments in First Nation Affiliated Entities:

	<u>2021</u> \$	<u>2020</u> \$
Zeballos Lake Hydro Limited Partnership		
2 Units (2%)	1	1
Ehlettesah Fishing Corporation		
Shares (100%)	2	2
0881643 BC Ltd.		
Shares (100%)	1	1
Aat'uu Forestry Ltd.		
Shares (100%)	1	1
0754140 BC Ltd.		
Shares (100%)	1	1
Barr Creek Hydro Ltd.		
Shares (20%)	88	88
Hayu Fishing Ltd.		
Shares (25%)	1	1
Hayu Fishing Limited Partnership		
2,500 Units (25%)	1	1
Advances	(193,914)	(93,914)
Accumulated share of Earnings	<u>1,516,629</u>	<u>1,307,991</u>
	<u>1,322,716</u>	<u>1,214,078</u>
Aat'uu Forestry Limited Partnership		
999 Units (99%)	99	99
Advances	(4,772,287)	(4,351,087)
Accumulated share of Earnings	<u>10,922,696</u>	<u>10,267,379</u>
	<u>6,150,508</u>	<u>5,916,391</u>
Total		
Shares	195	195
Advances	(4,966,201)	(4,445,001)
Accumulated share of Earnings	<u>12,439,325</u>	<u>11,575,370</u>
	<u>7,473,319</u>	<u>7,130,564</u>

EHATTESAHT/CHINEHKINT FIRST NATION

Notes to Financial Statements

March 31, 2021

7. Investments in First Nation Affiliated Entities (continued):

The company shares are held in trust for the Nation by Trustees appointed by the Council. The units of Aat'uu Forestry Limited Partnership are held in trust for the Nation by 0754140 BC Ltd. The units of Hayu Fishing Limited Partnership and Zeballos Lake Hydro Limited Partnership are owned directly by the Nation.

The advances made are without interest or specific repayment terms.

Financial information for the First Nation Affiliated Entities is presented in the following table. Ehlettesah Fishing Corporation, 0881643 BC Ltd., Aat'uu Forestry Ltd., 0754140 BC Ltd. and Aat'uu Forestry Limited Partnership financial information is from financial statements prepared for the year ending March 31, 2021 with comparative figures for the year ending March 31, 2020. These financial statements were unaudited.

Financial information for Barr Creek Hydro Ltd. is from financial statements prepared for the year ending June 30, 2020 with comparative figures for the year ending June 30, 2019. These financial statements were unaudited.

Financial information for Hayu Fishing Ltd. and Hayu Fishing Limited Partnership is from financial statements prepared for the year ending December 31, 2020 with comparative figures for the year ending December 31, 2019. The financial statements for Hayu Fishing Ltd. were unaudited and the financial statements for Hayu Fishing Limited Partnership were audited.

Financial information for Zeballos Lake Hydro Limited Partnership is from financial statements prepared for the year ending December 31, 2020 with comparative figures for the year ending December 31, 2019. These financial statements were audited.

	Ehlettesah Fishing Corp.	0881643 BC Ltd.	Aat'uu Forestry Ltd.	0754140 BC Ltd.	Aat'uu Forestry LP	Barr Creek Hydro Ltd	Hayu Fishing Ltd.	Hayu Fishing LP	Zeballos Lake Hydro LP	2021	TOTAL 2020
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Cash	7,395	66,045	-	-	1,179,161	57,996	-	938,479	1,402,000	3,651,076	3,383,356
Funds Held in Escrow	-	-	-	-	-	-	-	-	3,527,000	3,527,000	3,390,000
Accounts Receivable	12,455	-	-	-	1,023,166	2,558	-	430,793	879,000	2,347,972	1,133,090
Prepays and Deposits	6,228	-	-	-	84,777	-	-	-	-	91,005	219,724
Inventory	-	-	-	-	1,270,880	-	-	-	-	1,270,880	844,514
Due from Related Parties	-	-	-	-	15,505	-	482	-	-	15,987	21,950
Tangible Capital Assets	134,830	-	-	-	186,937	-	-	9,979	46,888,000	47,219,746	48,941,894
Investments	-	660,590	10,932	1	-	-	619	28,416	-	700,558	720,327
Intangible Assets	654,022	-	-	-	3,372,404	-	-	4,064,716	-	8,091,142	7,648,966
Other Assets	-	-	59	-	-	-	-	15,000	78,000	93,059	82,059
Total Assets	814,930	726,635	10,991	1	7,132,830	60,554	1,101	5,487,383	52,774,000	67,008,425	66,385,880
Accounts Payable	72,473	-	-	-	468,613	30,991	1,100	15,442	156,000	744,619	1,473,970
Long-term Debt	40,000	-	-	-	-	15,000	-	-	23,754,000	23,809,000	23,680,000
Silviculture Payable	-	-	-	-	501,589	-	-	-	-	501,589	801,528
Due to Related Parties	1,930,883	555,409	15,798	-	-	-	-	-	482	3,051,000	5,553,572
Total Liabilities	2,043,356	555,409	15,798	-	970,202	45,991	1,100	15,924	26,961,000	30,608,780	30,854,405
Equity	(1,228,426)	171,226	(4,807)	1	6,162,628	14,563	1	5,471,459	25,813,000	36,399,645	35,531,475
Total Liabilities and Equity	814,930	726,635	10,991	1	7,132,830	60,554	1,101	5,487,383	52,774,000	67,008,425	66,385,880
Revenues	176,029	51,076	656	-	827,505	14,074	10,083	1,012,110	4,779,000	6,870,533	4,810,375
Expenses	336,429	1,655	1,656	-	171,532	-	1,418	177,477	4,671,000	5,361,167	5,933,494
Net Income (Loss)	(160,400)	49,421	(1,000)	-	655,973	14,074	8,665	834,633	108,000	1,509,366	(1,123,119)

EHATTESAHT/CHINEHKINT FIRST NATION

Notes to Financial Statements

March 31, 2021

8. Due from Related Entities:

	<u>2021</u> \$	<u>2020</u> \$
Aat'uu Forestry Ltd.	293	293
Zeballos Lake Hydro Limited Partnership	3	17,321
Ehlettesah Fishing Corporation	1,930,882	1,904,831
0881643 BC Ltd.	<u>555,409</u>	<u>628,834</u>
	<u>2,486,587</u>	<u>2,551,279</u>

Amounts due from related entities have no set terms of repayment or stated interest rate with the exception of amounts owing from Ehlettesah Fishing Corporation (the "Corporation").

The terms of the agreement with the Corporation relate to \$900,000 advanced to the Corporation during the year ended March 31, 2019. The loan of \$900,000 is due on demand and bears interest at 10% per annum with the Corporation having the right at any time to pay all or a portion of the Principal. The agreement does not require the Corporation to make any principle or interest payments to the Nation. During the year ended March 31, 2021 the Nation deferred interest due to COVID-19 impacting operations of the Corporation.

9. Accounts Payable and Accrued Liabilities:

	<u>2021</u> \$	<u>2020</u> \$
Trade Payables	266,563	145,001
Accrued Salaries and Benefits Payable	<u>59,808</u>	<u>47,536</u>
	<u>326,371</u>	<u>192,537</u>

10. Due to Government and Other Government Organizations:

	<u>2021</u> \$	<u>2020</u> \$
Federal Government	29,783	10,728
Other Government Organizations	<u>4,189</u>	<u>2,607</u>
	<u>33,972</u>	<u>13,335</u>

EHATTESAHT/CHINEHKINT FIRST NATION

Notes to Financial Statements

March 31, 2021

11. Deferred Revenue:

	<u>2021</u> \$	<u>2020</u> \$
Federal Government		
ISC Prevention Project	57,897	-
Specific Claims	3,000	1,500
Fuel Relief	6,518	6,518
COVID-19	<u>1,305</u>	<u>19,161</u>
	<u>68,720</u>	<u>27,179</u>
Provincial Government		
Aquaculture Grant	2,250	2,250
Capacity Grant	<u>51,067</u>	<u>40,000</u>
	<u>53,317</u>	<u>42,250</u>
Other		
Wisdom Bench	197,925	-
Post Secondary Partnerships Program	56,625	-
Unearned Road Use Fees	-	31,500
First Voices	<u>22,943</u>	<u>17,333</u>
	<u>277,493</u>	<u>48,833</u>
Total	<u>399,530</u>	<u>118,262</u>

12. Reserves:

Under the terms of agreement with CMHC, the Replacement Reserve account is to be credited in the amount of \$1,480 (2020 - \$1,480) and the Operating Reserve is to be credited in the amount of \$nil (2020 - \$nil). These funds, along with accumulated interest, must be held in separate bank accounts for each type of reserve.

The funds are to be invested only in accounts or instruments insured by the Canada Deposit Insurance Corporation or as may otherwise be approved by CMHC from time to time.

The funds in the Operating Reserve can be drawn on in the event of future deficits. The funds in the Replacement Reserve account may only be used for CMHC approved expenditures.

During the year, \$nil (2020 - \$nil) in expenditures were paid from the Replacement Reserve. The funds in the Replacement Reserve account may only be used to fund future deficits. Withdrawals are credited to interest first and then principal.

EHATTESAHT/CHINEHKINT FIRST NATION

Notes to Financial Statements

March 31, 2021

13. Long Term Debt:

	<u>2021</u> \$	<u>2020</u> \$
CMHC:		
Repayable at \$609 per month including interest at 1.83% per annum; due Nov 30, 2024; secured by the Nation	115,675	120,649
Bank of Montreal - 6Plex Mortgage:		
Repayable at \$1,986 per month including interest at 4.26%; due August 31, 2022; secured by the Nation	257,386	271,395
Bank of Montreal - 4Plex Mortgage:		
Repayable at \$2,840 per month including interest at prime plus 1.5%; due on demand; secured by the Nation	423,896	443,804
Nuu-chah-nulth Economic Development Corporation:		
Repayable at \$3,300 per month, including interest at prime plus 3.0% per annum; due May 1, 2023; secured by the Nation	<u>48,996</u>	<u>87,379</u>
Total Long Term Debt	<u>845,953</u>	<u>923,227</u>

Interest expense on long term debt for the year ended March 31, 2021 is \$32,304 (2020 - \$42,555).

Scheduled principal repayments for the next five years is estimated as follows:

	\$
2022	78,869
2023	52,580
2024	43,677
2025	45,367
2026	47,125
Thereafter	578,335

Repayments on the Bank of Montreal - 4Plex Mortgage has been calculated under the assumption that it will continue to be repaid consistent with the current year.

EHATTESAHT/CHINEHKINT FIRST NATION

Notes to Financial Statements

March 31, 2021

14. Tangible Capital Assets:

	Cost				Accumulated Amortization				Net Book Value	
	Opening	Additions	Disposals	Closing	Opening	Amort	Disposals	Closing	2021	2020
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Capital:										
Subdivision	990,347	-	-	990,347	833,207	11,640	-	844,847	145,500	157,140
Infrastructure	2,294,563	327,963	-	2,622,526	1,360,151	124,454	-	1,484,605	1,137,921	934,412
Band Housing	3,391,616	-	-	3,391,616	1,891,821	106,710	-	1,998,531	1,393,085	1,499,795
Office Equip	100,357	-	-	100,357	99,377	980	-	100,357	-	980
General Equip	116,322	40,292	-	156,614	76,051	11,442	-	87,493	69,121	40,271
Fisheries Equip	147,682	47,573	-	195,255	65,226	17,130	-	82,356	112,899	82,456
Vehicles	426,079	-	-	426,079	354,609	21,440	-	376,049	50,030	71,470
	<u>7,466,966</u>	<u>415,828</u>	<u>-</u>	<u>7,882,794</u>	<u>4,680,442</u>	<u>293,796</u>	<u>-</u>	<u>4,974,238</u>	<u>2,908,556</u>	<u>2,786,524</u>
Social Housing:										
Land	21,990	-	-	21,990	-	-	-	-	21,990	21,990
Housing	186,123	-	-	186,123	44,630	7,440	-	52,070	134,053	141,493
	<u>208,113</u>	<u>-</u>	<u>-</u>	<u>208,113</u>	<u>44,630</u>	<u>7,440</u>	<u>-</u>	<u>52,070</u>	<u>156,043</u>	<u>163,483</u>
Total	<u>7,675,079</u>	<u>415,828</u>	<u>-</u>	<u>8,090,907</u>	<u>4,725,072</u>	<u>301,236</u>	<u>-</u>	<u>5,026,308</u>	<u>3,064,599</u>	<u>2,950,007</u>

15. Accumulated Surplus:

		2021	2020
		\$	\$
Internally Restricted			
Equity in Tangible Capital Assets		2,267,642	2,114,159
Externally Restricted			
Equity in Ottawa Trust		89,359	87,175
Investment in Treaty		515,413	483,206
Unrestricted			
Operating Surplus		<u>16,307,980</u>	<u>13,405,615</u>
Total Surplus		<u>19,180,394</u>	<u>16,090,155</u>

16. Commitments:

The Nation holds six foreshore licences for an oyster project with terms of twenty years each beginning in 2001. Under the foreshore licence agreements, licence fees charged on the oyster leases can increase from year to year. Future minimum payment for the next five years is \$4,455 each year.

17. Federal Assistance Payments:

The Ehlettesah/Chinehkint First Nation Social Housing Project has received federal assistance through CMHC pursuant to Section 56.1 of the National Housing Act to enable the project to provide housing to low income individuals. The amount of assistance received in 2021 was \$8,775 (2020 - \$8,744).

EHATTESAHT/CHINEHKINT FIRST NATION

Notes to Financial Statements

March 31, 2021

18. Budget Figures:

Budgeted figures have been provided for comparison purposes and have been derived from the estimates approved by the Nation on June 27, 2020 and have not been audited.

19. Employee Future Benefits:

The Nation matches employee contributions to a defined contribution plan, which is administered by Canada Life. The total pension expense, representing employer contributions to the plan for the year was \$9,314 (2020 - \$6,221).

EHATTESAHT/CHINEHKINT FIRST NATION

Notes to Financial Statements

March 31, 2021

20. Schedule of Expenses by Object:

	<u>2021</u>	<u>2020</u>
	\$	\$
Administration Fees	73,093	5,616
Allowances and School Supplies	28,332	29,175
Amortization	301,236	327,190
Bad Debt	11,113	6,532
Bank Charges and Interest	6,857	7,665
Basic Needs	117,458	121,191
Business Planning	64,836	9,576
Consulting Fees	101,723	94,529
Donations	1,150	46,901
Election	-	9,006
Equipment	50,187	71,193
Funeral Services	41,619	31,291
Honoraria	312,523	222,813
Insurance	51,671	51,280
Interest on Long Term Debt	32,304	42,481
Legal	77,527	173,702
Meetings	3,854	42,663
Member Distributions	96,950	100,039
Member Services	402,950	191,851
Member Support	19,106	15,231
Office and Sundry	20,621	26,045
Patient Travel	63,079	100,777
Professional Fees	85,976	70,419
Property Tax	4,849	3,282
Repairs and Maintenance	55,481	45,710
Reserves	1,480	4,780
Social Assistance	357,542	112,212
Subcontract	42,014	14,021
Supplies	60,200	72,012
Travel	41,810	149,430
Training	88,858	30,013
Tuition	8,896	2,527
Utilities	57,112	58,551
Wages and Benefits	1,080,604	761,396
Workshops	-	26,942
	<u>3,763,011</u>	<u>3,078,042</u>

21. Comparative Figures:

Certain prior period amounts presented within the financial statements have been reclassified in the current year, where considered necessary, to conform with the presentation of amounts in the current period.

EHATTESAHT/CHINEHKINT FIRST NATION

Notes to Financial Statements

March 31, 2021

22. 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 objective in accordance with specific regulations, restrictions or limitations. These activities can also be categorized into segments.

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 following segments have been identified and as such as separately disclosed in Schedule 1 to the financial statements.

Core Government:

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

Community Development:

Community Development contain all activities that are involved in the development of the community and operation of community activities and operations.

Housing:

Housing contains activities that relate to on reserve housing.

Capital:

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

Economic Development:

Economic Development contains activities that are involved in the development and the operation of economic opportunities for the Nation including its business interest.

Treaty:

Treaty contains activities related to ongoing treaty negotiations for the Nation.

23. COVID-19:

The global outbreak of the coronavirus disease (COVID-19) continues to cause economic uncertainties that are likely to have a mateiral impact on the annual operations of the Nation. The extent, if any, of the continued impact of COVID-19 on the Nation and its operations for the year ended March 31, 2022 cannot be determined at this time.

EHATTESAHT/CHINEHKINT FIRST NATION

Schedule 1 - Segment Disclosure

March 31, 2021

March 31, 2021

	Core Government \$	Community Development \$	Housing \$	Capital \$	Economic Development \$	Treaty \$	Total \$
Revenue							
NTC	1,974,896	263,275	-	350,380	62,672	31,839	2,683,062
Other Revenue	<u>499,342</u>	<u>704,636</u>	<u>134,026</u>	<u>-</u>	<u>2,831,808</u>	<u>376</u>	<u>4,170,188</u>
	<u><u>2,474,238</u></u>	<u><u>967,911</u></u>	<u><u>134,026</u></u>	<u><u>350,380</u></u>	<u><u>2,894,480</u></u>	<u><u>32,215</u></u>	<u><u>6,853,250</u></u>
Expenses							
Other	1,342,073	509,182	195,382	143,526	492,236	8	2,682,407
Wages and Benefits	<u>780,175</u>	<u>131,770</u>	<u>32,178</u>	<u>-</u>	<u>136,481</u>	<u>-</u>	<u>1,080,604</u>
	<u><u>2,122,248</u></u>	<u><u>640,952</u></u>	<u><u>227,560</u></u>	<u><u>143,526</u></u>	<u><u>628,717</u></u>	<u><u>8</u></u>	<u><u>3,763,011</u></u>
Annual Surplus (Deficit)	<u>351,990</u>	<u>326,959</u>	<u>(93,534)</u>	<u>206,854</u>	<u>2,265,763</u>	<u>32,207</u>	<u>3,090,239</u>

March 31, 2020

	Core Government \$	Community Development \$	Housing \$	Capital \$	Economic Development \$	Treaty \$	Total \$
Revenue							
NTC	1,041,868	298,288	-	386,886	133,465	1,175,107	3,035,614
Other Revenue	<u>169,896</u>	<u>203,368</u>	<u>134,926</u>	<u>-</u>	<u>1,768,348</u>	<u>1,521</u>	<u>2,278,059</u>
	<u><u>1,211,764</u></u>	<u><u>501,656</u></u>	<u><u>134,926</u></u>	<u><u>386,886</u></u>	<u><u>1,901,813</u></u>	<u><u>1,176,628</u></u>	<u><u>5,313,673</u></u>
Expenses							
Other	979,308	350,087	227,426	151,289	598,422	10,114	2,316,646
Wages and Benefits	<u>460,675</u>	<u>154,953</u>	<u>17,382</u>	<u>-</u>	<u>128,386</u>	<u>-</u>	<u>761,396</u>
	<u><u>1,439,983</u></u>	<u><u>505,040</u></u>	<u><u>244,808</u></u>	<u><u>151,289</u></u>	<u><u>726,808</u></u>	<u><u>10,114</u></u>	<u><u>3,078,042</u></u>
Annual Surplus (Deficit)	<u>(228,219)</u>	<u>(3,384)</u>	<u>(109,882)</u>	<u>235,597</u>	<u>1,175,005</u>	<u>1,166,514</u>	<u>2,235,631</u>