

TLOWITSIS FIRST NATION
Consolidated Financial Statements
March 31, 2021

TLOWITSIS FIRST NATION

Consolidated Financial Statements

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Year Ended March 31, 2021

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MANAGEMENT REPORT

March 31, 2021

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

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

The Tlowitsis First Nation's independent auditors, Chan Nowosad Boates Inc., Chartered Professional Accountants, are engaged to express an opinion as to whether these consolidated financial statements present fairly the Tlowitsis 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 consolidated financial statements have, in management's opinion, been properly prepared within reasonable limits of materiality and in accordance with Canadian public sector accounting standards. These statements present, in all significant respects the financial position of Tlowitsis First Nation as at March 31, 2021.

A handwritten signature in black ink, appearing to read 'Thomas Smith', is written over a solid black horizontal line.

Thomas Smith, Chief Administrator and Councillor
April 13, 2023



INDEPENDENT AUDITORS' REPORT

To the Members of the Tlowitsis First Nation,

Qualified Opinion

We have audited the consolidated financial statements of the Tlowitsis First Nation (the "Nation"), which comprise the consolidated statement of financial position as at March 31, 2021, and the consolidated statements of operations, changes in accumulated surplus, changes in net financial assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as the "consolidated financial statements").

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of our report, the accompanying consolidated financial statements present fairly, in all material respects, the 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.

Basis for Qualified Opinion

The accounting data for the Nation's government business entities (the "controlled entities"), Chief's Pride Aquaculture Corporation, Chief's Pride Seafoods Inc. and Happy as a Clam Shellfish Ltd., was not made available for the year ended March 31, 2021. As a result, the controlled entities' financial statements have not been consolidated into the Nation's financial statements in the current year. Accordingly, the Nation's Consolidated Statement of Financial Position does not reflect the financial position of these controlled entities with the balance remaining unchanged from the prior year, and the revenues and expenditures of the controlled entities are not reflected in the Consolidated Statement of Operations for the year ending 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 Auditors' 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 consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with 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 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.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion.

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

Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Nation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Nation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Nation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- 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 Nawrood Boatis Inc

Chartered Professional Accountants
Campbell River, BC

April 13, 2023

TLOWITSIS FIRST NATION

Consolidated Statement of Financial Position

March 31, 2021

2021

2020

FINANCIAL ASSETS

Cash	\$ 9,653,883	\$ 8,201,820
Accounts Receivable (Note 2)	90,886	79,358
Portfolio Investments (Note 3)	110	110
Investment in Government Business Enterprises (Note 4)	4,043,040	4,440,704
Federal Trust Funds (Note 5)	<u>207,567</u>	<u>204,210</u>
	<u>13,995,486</u>	<u>12,926,202</u>

LIABILITIES

Accounts Payable (Note 6)	312,723	203,854
Deferred Revenue (Note 7)	592,856	151,569
Long Term Debt (Note 8)	<u>51,620</u>	<u>61,657</u>
	<u>957,199</u>	<u>417,080</u>

NET FINANCIAL ASSETS

<u>13,038,287</u>	<u>12,509,122</u>
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NON-FINANCIAL ASSETS

Prepaid Expenses	46,658	35,037
Tangible Capital Assets (Note 9)	<u>3,894,583</u>	<u>2,428,002</u>
	<u>3,941,241</u>	<u>2,463,039</u>

ACCUMULATED SURPLUS

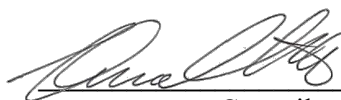
<u>\$ 16,979,528</u>	<u>\$ 14,972,161</u>
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Commitments and Contingent Liabilities (Note 10)

Approved by:



Chief



Councilor

TLOWITSIS FIRST NATION

Consolidated Statement of Operations

Year Ended March 31, 2021

	2021		2020
	Actual	Budget (Note 12)	
Revenue			
Indigenous Services Canada	\$ 854,150	\$ -	\$ 922,682
Province of British Columbia	190,098	-	196,132
Ottawa Trust	3,357	-	6,392
British Columbia Treaty Commission	191,000	191,000	278,326
Rental Income	59,425	-	58,275
Logging Income	1,300,000	-	-
Other Revenue	978,321	179,958	1,474,433
Earnings (Loss) from Government Business Partnerships	(45,624)	-	794,460
	<u>3,530,727</u>	<u>370,958</u>	<u>3,730,700</u>
Expenditures (Note 11)			
Band Support	512,993	323,995	382,293
Community Services	478,520	191,681	481,600
Economic Development	248,523	-	200,851
Education	259,675	267,681	136,304
Employment Programs	14,203	-	10,369
Housing	8,950	-	45,577
	<u>1,522,864</u>	<u>783,357</u>	<u>1,256,994</u>
Annual Surplus from Operations	2,007,863	\$ <u>(412,399)</u>	2,473,706
Indigenous Services Canada Forgiveness of Treaty Loan	-		5,663,069
Indigenous Services Canada Recoveries	<u>(496)</u>		<u>(66,746)</u>
Annual Surplus	<u>\$ 2,007,367</u>		<u>\$ 8,070,029</u>

TLOWITSIS FIRST NATION

Consolidated Statement of Accumulated Surplus

Year Ended March 31, 2021

	2021		
	Actual	Budget (Note 12)	2020
Accumulated Surplus - Beginning of Year	\$ 14,972,161	\$ -	\$ 6,902,132
Annual Surplus	<u>2,007,367</u>	<u>-</u>	<u>8,070,029</u>
Accumulated Surplus - End of Year	<u>\$ 16,979,528</u>	<u>\$ -</u>	<u>\$ 14,972,161</u>

TLOWITSIS FIRST NATION

Consolidated Statement of Changes in Net Financial Assets

Year Ended March 31, 2021

2021

2020

Annual Surplus

\$ 2,007,367

\$ 8,070,029

Tangible Capital Assets Purchased

(1,522,881)

(1,474,950)

Disposal of Tangible Capital Assets

3,160

-

Amortization of Tangible Capital Assets

53,140

60,840

(1,466,581)

(1,414,110)

Net Use (Acquisition) of Prepaid Asset

(11,621)

100,493

Increase in Net Financial Assets

529,165

6,756,412

Net Financial Assets - Beginning of Year

12,509,122

5,752,710

Net Financial Assets - End of Year

\$ 13,038,287

\$ 12,509,122

TLOWITSIS FIRST NATION

Consolidated Statement of Cash Flows

Year Ended March 31, 2021

2021

2020

Cash Flows From Operating Activities:

Cash Received from Indigenous Services Canada and Other	\$ 4,357,654	\$ 3,166,749
Cash Paid to Suppliers and Employees	<u>(1,369,316)</u>	<u>(1,002,669)</u>
	<u>2,988,338</u>	<u>2,164,080</u>

Cash Flows From Financing Activities:

Repayment of Long Term Debt	<u>(10,037)</u>	<u>(10,010)</u>
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Cash Flows From Investing Activities:

Purchase of Portfolio Investments	-	(110)
Increase in Ottawa Trust Funds	<u>(3,357)</u>	<u>(6,392)</u>
	<u>(3,357)</u>	<u>(6,502)</u>

Cash Flows From Capital Activities:

Purchase of Tangible Capital Assets	<u>(1,522,881)</u>	<u>(1,474,950)</u>
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Increase in Cash and Cash Equivalents

1,452,063 672,618

Cash and Cash Equivalents - Beginning of Year

8,201,820 7,529,202

Cash and Cash Equivalents - End of Year

\$ 9,653,883 \$ 8,201,820

TLOWITSIS FIRST NATION

Notes to the Consolidated Financial Statements

March 31, 2021

1. Significant Accounting Policies:

a) Basis of Accounting

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

b) Basis of Presentation

The consolidated financial statements include the accounts of Tlowitsis First Nation (the "Nation") and four organizations that are controlled by the Nation, Chief's Pride Aquaculture Corporation, Chief's Pride Seafoods Inc., 0834472 B.C. Ltd. and Happy as a Clam Shellfish Ltd. (the "Controlled Entities").

All controlled entities are fully consolidated on a line-by-line basis except for commercial enterprises and partnerships which meet the definition of government business enterprises (GBE's). These enterprise are included in the Financial Statements on a modified equity basis. Inter-organizational balances and transactions are eliminated upon consolidation.

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

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

Nanwakolas Business Corporation (20.00%)
A-Tlegay Fisheries Limited Partnership (18.00%)
Nanwakolas Carbon Credit Limited Partnership (8.98%)
Nanwakolas Offset Limited Partnership (9.48%)
Nanwakolas Timber Limited Partnership and Knight Inlet Grizzly Lodge Ltd. (20.65%)

c) Asset Classification

Assets are classified as either financial or non-financial. Financial assets are assets that could be used to discharge existing liabilities or finance future operations. Non-financial assets are acquired, constructed or developed assets that do not provide resources to discharge existing liabilities but are employed to deliver government services and may be consumed in normal operations. Non-financial assets include tangible capital assets and prepaid expenses. Intangible assets, and items inherited by right of the Crown, are not recognized in the financial statements.

d) Cash

Cash includes cash on hand, balances with banks and term deposits. Cash subject to restrictions that prevent its use for current purposes is not included in cash.

TLOWITSIS FIRST NATION

Notes to the Consolidated Financial Statements

March 31, 2021

1. Significant Accounting Policies (continued):

e) Portfolio Investments

Portfolio investments are comprised of investments in limited partnerships which the Nation does not control or significantly influence, accounted for using the cost method. Investments will be recorded at cost and any share of income received will be recognized as income when received or receivable.

f) 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:

Automobiles	30%	declining balance
Boats	15%	declining balance
Buildings	4%	declining balance
Computers	30-55%	declining balance
Equipment	20%	declining balance
Furniture and Fixtures	10%	declining balance

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 consolidated statement of operations.

g) 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 consolidated statement of operations as the 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 being performed is deferred and recognized when the fee is earned or service performed.

h) Measurement Uncertainty

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

TLOWITSIS FIRST NATION

Notes to the Consolidated Financial Statements

March 31, 2021

1. Significant Accounting Policies (continued):

i) Liability for Contaminated Sites

A liability for remediation of a contaminated site is recognized at the best estimate of the amount required to remediate the contaminated site when contamination exceeding an environmental standard exists, the First Nation is either directly responsible or accepts responsibility, it is expected that future economic benefits will be given up, and a reasonable estimate of the amount is determinable. The best estimate of the liability includes all costs directly attributable to remediation activities and is reduced by expected net recoveries based on information available at March 31, 2021.

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

2. Accounts Receivable:

	<u>2021</u>	<u>2020</u>
Due from Members:		
Nation Housing	\$ 79,558	\$ 56,264
Allowance for Doubtful Accounts	<u>(53,234)</u>	<u>(53,234)</u>
	<u>26,324</u>	<u>3,030</u>
Due from Others:		
Indigenous Services Canada	56	-
Government Remittances Refundable	9,887	
Other	81,324	99,560
Allowance for Doubtful Accounts	<u>(33,119)</u>	<u>(33,119)</u>
	<u>64,562</u>	<u>76,328</u>
Net Accounts Receivable	<u>\$ 90,886</u>	<u>\$ 79,358</u>

3. Portfolio Investments:

The Nation's portfolio investment consists of the following:

	<u>2021</u>	<u>2020</u>
BC FN Gaming Revenue Sharing Limited Partnership	<u>\$ 110</u>	<u>\$ 110</u>

TLOWITSIS FIRST NATION

Notes to the Consolidated Financial Statements

March 31, 2021

4. Investment in Government Business Enterprise and Partnerships:

The Nation's investment in a Government Business Enterprise and Partnerships consists of the following:

	<u>2021</u>	<u>2020</u>
Investment in Business Enterprise:		
Nanwakolas Business Corporation	\$ <u>1</u>	\$ <u>1</u>
Investments and Earnings in Business Partnerships:		
A-Tlegay Fisheries Limited Partnership	931,005	853,259
Nanwakolas Carbon Credit Limited Partnership	5,432	5,767
Nanwakolas Offset Limited Partnership	70,940	270,990
Nanwakolas Forestry Limited Partnership	-	237
Nanwakolas Timber Limited Partnership	<u>3,035,662</u>	<u>3,310,450</u>
	<u>\$ 4,043,040</u>	<u>\$ 4,440,704</u>

Nanwakolas Business Corporation has no business activities.

A-Tlegay Fisheries Limited Partnership acquires and manages various fishing licences and quota. These licences and quota are made available through negotiations with the Federal Government under the Pacific Integrated Commercial Fisheries Initiative by the Department of Fisheries and Oceans and acquires and leases fishing vessels and equipment.

Nanwakolas Timber Limited Partnership ("Timber LP") harvests and manages timber. Nanwakolas Carbon Credit Limited Partnership and Nanwakolas Offset Limited Partnership verifies and sells carbon credits on the open market.

Timber LP is presented on a consolidated basis which includes the balance that would be allocated to Timber LP from Knight Inlet Grizzly Tours ("KIGT"). KIGT operates the Knight Inlet Lodge that provides Grizzly Tours. It is wholly owned by Timber LP but its operations are not reflected within the financial statements of the Timber LP as it is not consolidated into the Timber LP financial statements, with the Timber LP reporting under Accounting Standards for Private Enterprises (ASPE) and accounting for the investment in the Lodge at cost. KIGT has an October 31st year end. For the remainder of this note, its operations are presented as combined with Timber LP.

	Quota Businesses	Forestry Businesses	Carbon Credit Businesses	Total 2021	Total 2020
Total Assets	\$ <u>13,603,229</u>	\$ <u>16,629,352</u>	\$ <u>1,930,666</u>	\$ <u>32,163,247</u>	\$ <u>23,774,350</u>
Total Liabilities	8,430,459	658,437	1,124,449	10,213,345	893,609
Total Equity	<u>5,172,770</u>	<u>15,970,915</u>	<u>806,217</u>	<u>21,949,902</u>	<u>22,880,741</u>
Total Liabilities and Equity	<u>\$ 13,603,229</u>	<u>\$ 16,629,352</u>	<u>\$ 1,930,666</u>	<u>\$ 32,163,247</u>	<u>\$ 23,774,350</u>
Revenue	\$ 714,267	\$ 1,009,504	\$ 2,443,181	\$ 4,166,952	\$ 5,285,583
Expenses	<u>282,298</u>	<u>266,638</u>	<u>844,291</u>	<u>1,393,227</u>	<u>727,744</u>
Net Income	<u>\$ 431,969</u>	<u>\$ 742,866</u>	<u>\$ 1,598,890</u>	<u>\$ 2,773,725</u>	<u>\$ 4,557,839</u>

TLOWITSIS FIRST NATION

Notes to the Consolidated Financial Statements

March 31, 2021

5. Federal Trust Funds:

	<u>2020</u>	<u>Additions</u>	<u>Withdrawals</u>	<u>2021</u>
Revenue	\$ 104,587	\$ 3,357	\$ -	\$ 107,944
Capital	<u>99,623</u>	<u>-</u>	<u>-</u>	<u>99,623</u>
	<u>\$ 204,210</u>	<u>\$ 3,357</u>	<u>\$ -</u>	<u>\$ 207,567</u>

The Trust Funds Held by the Federal Government arise from monies derived from capital or revenue sources as outlined in Section 62 of the *Indian Act*. These funds are held in trust in the Consolidated Revenue Fund of the Government of Canada and are subject to audit by the Office of the Auditor General of Canada. The management of these funds is primarily governed by Sections 63 to 69 of the *Indian Act*.

6. Accounts Payable:

	<u>2021</u>	<u>2020</u>
Wages Payable	\$ 3,882	\$ 4,786
Trade Payable	<u>308,841</u>	<u>199,068</u>
	<u>\$ 312,723</u>	<u>\$ 203,854</u>

7. Deferred Revenue:

	<u>2020</u>	<u>Funding Received</u>	<u>Revenue Recognized</u>	<u>2021</u>
Indigenous Services Canada:				
Band Office	\$ 41,282	\$ 18,249	\$ 24,150	\$ 35,381
Guidance and Counselling	2,750	179	2,875	54
Support	3,204	221	571	2,854
Post Secondary	37,783	-	37,783	-
TRM - Land	23,008	67,149	58,300	31,857
TRM - Watershed Assessment	<u>43,542</u>	<u>222,215</u>	<u>135,630</u>	<u>130,127</u>
	151,569	308,013	259,309	200,273
Province of BC	<u>-</u>	<u>392,583</u>	<u>-</u>	<u>392,583</u>
	<u>\$ 151,569</u>	<u>\$ 700,596</u>	<u>\$ 259,309</u>	<u>\$ 592,856</u>

TLOWITSIS FIRST NATION

Notes to the Consolidated Financial Statements

March 31, 2021

8. Long Term Debt:

	<u>2021</u>	<u>2020</u>
TD Canada Trust Loan:		
Repayable at \$833 per month plus		
interest at prime plus 1.00% per annum;		
due May 1, 2026; secured by a general		
security agreement	\$ <u>51,620</u>	\$ <u>61,657</u>

Interest paid on long term debt for the year ended March 31, 2021 is \$1,969 (2020 - \$3,321).

Principal repayments within each of the next five years and beyond is estimated to be as follows:

2022	\$ 10,000
2023	\$ 10,000
2024	\$ 10,000
2025	\$ 10,000
2026 and beyond	\$ 11,620

9. Tangible Capital Assets:

	Cost				Accumulated Amortization				Net Book Value	
	Opening	Additions	Disposals	Closing	Opening	Amort	Disposals	Closing	2021	2020
Land	\$ 648,457	\$ -	\$ -	\$ 648,457	\$ -	\$ -	\$ -	\$ -	\$ 648,457	\$ 648,457
Automobiles	120,743	-	15,487	105,256	100,054	5,100	12,327	92,827	12,429	20,689
Boats	463,942	15,855	-	479,797	303,594	24,830	-	328,424	151,373	160,348
Buildings	1,357,786	-	-	1,357,786	570,083	18,840	-	588,923	768,863	787,703
Computers	32,437	-	-	32,437	31,763	210	-	31,973	464	674
Equipment	282,075	-	-	282,075	230,817	3,790	-	234,607	47,468	51,258
Furniture and Fixtures	5,365	-	-	5,365	1,648	370	-	2,018	3,347	3,717
Reserve under Development	755,156	1,507,026	-	2,262,182	-	-	-	-	2,262,182	755,156
	<u>\$ 3,665,961</u>	<u>\$ 1,522,881</u>	<u>\$ 15,487</u>	<u>\$ 5,173,355</u>	<u>\$ 1,237,959</u>	<u>\$ 53,140</u>	<u>\$ 12,327</u>	<u>\$ 1,278,772</u>	<u>\$ 3,894,583</u>	<u>\$ 2,428,002</u>

Amounts classified as Reserve under Development are not amortized as they relate to costs incurred to develop and build a reserve for the Nation on York Road in Campbell River, the Nenagwas Community Development. The reserve is not complete as of March 31, 2021 and no amortization will be taken until the reserve is in use.

Included in the cost of Buildings is \$316,718 for a modular office building that is not being amortized, as the building is in storage and has not been installed or put to use as of March 31, 2021.

TLOWITSIS FIRST NATION

Notes to the Consolidated Financial Statements

March 31, 2021

10. Commitments and Contingent Liabilities:

- a) The Nation has entered into contribution agreements with various Federal Government departments. Funding received under these contribution agreements is subject to repayment if the Nation fails to comply with the terms and conditions of the agreements.
- b) The Nation has entered into a long term agreement for development of the Nenagwas Community Development. As of March 31, 2021, the Nation continued in the detailed design phase for this project with contract costs budgeted at \$836,380 to September 30, 2021. Remaining contract costs will continue through the completion of this project and are budgeted during each phase of the project.
- c) The Nation has an outstanding letter of credit for \$50,000 (2020 - \$50,000) relating to a license of occupation of land for the purposes of log handling, log storage, dock and wood waste disposal purposes.

11. Schedule of Expenses by Object:

	<u>2021</u>	<u>2020</u>
Administration Fees	\$ 13,862	\$ 9,189
Advertising	300	1,184
Amortization	53,140	60,840
Bad Debts	-	40,448
Consulting	28,600	16,407
Honoraria	111,946	113,532
Insurance	28,840	30,577
Interest and Bank Charges	6,936	14,316
Material and Supplies	549,149	318,059
Meeting and Workshop Costs	1,594	3,792
Office	24,436	35,909
Professional Fees	285,387	168,741
Rent	22,584	12,000
Repairs and Maintenance	48,111	28,008
Training Costs	3,351	7,369
Travel	16,871	71,722
Telephone and Utilities	7,638	9,318
Wages and Payroll Costs	<u>320,119</u>	<u>315,583</u>
	<u>\$ 1,522,864</u>	<u>\$ 1,256,994</u>

12. Budget Figures:

Budgeted figures have been provided for comparison purposes and have been derived from the estimates approved by Chief and Council and have not been audited. Not all departments or programs had budgets prepared.

TLOWITSIS FIRST NATION

Notes to the Consolidated Financial Statements

March 31, 2021

13. Segment Disclosure:

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

Band Support:

Band Government contains activities that are needed to manage and administer the Nation's organization as well as the Nation's Treaty activities.

Community Services:

Community Services contain all activities that relate to the operations, maintenance, development, construction and financing of buildings, infrastructure and the land of the Nation as well as the Nations members in the communities they reside in.

Economic Development:

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

Education:

Education contains activities that provide education and facilitate educational opportunities to members for primary and secondary schooling and adult vocational training.

Employment Programs:

Employment Programs contains funding for and progra delivery of services to help the Nations members obtain employment or retraining that assits with employment.

Housing:

Housing contains activities that relate to housing provided to and for the Nations members as well as assistance with housing related matters.

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

TLOWITSIS FIRST NATION

Schedule 1 - Consolidated Segment Disclosure

March 31, 2021

	Band Support	Community Services	Economic Development	Education	Employment Programs	Housing	Consolidated Total
Revenue							
ISC	\$ 451,471	\$ 154,717	\$ 25,276	\$ 222,686	\$ -	\$ -	\$ 854,150
Provincial	-	-	190,098	-	-	-	190,098
Other	<u>219,843</u>	<u>185,126</u>	<u>2,017,588</u>	<u>-</u>	<u>4,497</u>	<u>59,425</u>	<u>2,486,479</u>
	<u>671,314</u>	<u>339,843</u>	<u>2,232,962</u>	<u>222,686</u>	<u>4,497</u>	<u>59,425</u>	<u>3,530,727</u>
Expenses							
Materials and Supplies	126,514	54,316	65,673	258,618	-	(1,929)	503,192
Professional Fees	189,713	33,214	7,437	-	-	-	230,364
Wages and Benefits	43,816	160,383	55,228	-	14,203	-	273,630
Other	<u>152,950</u>	<u>230,607</u>	<u>120,185</u>	<u>1,057</u>	<u>-</u>	<u>10,879</u>	<u>515,678</u>
	<u>512,993</u>	<u>478,520</u>	<u>248,523</u>	<u>259,675</u>	<u>14,203</u>	<u>8,950</u>	<u>1,522,864</u>
ISC Recoveries	-	(151)	-	(345)	-	-	(496)
Annual Surplus (Deficit)	<u>\$ 158,321</u>	<u>\$ (138,828)</u>	<u>\$ 1,984,439</u>	<u>\$ (37,334)</u>	<u>\$ (9,706)</u>	<u>\$ 50,475</u>	<u>\$ 2,007,367</u>

March 30, 2020

	Band Support	Community Services	Economic Development	Education	Employment Programs	Housing	Consolidated Total
Revenue							
ISC	\$ 608,974	\$ 154,240	\$ 25,276	\$ 134,192	\$ -	\$ -	\$ 922,682
Provincial	-	-	196,132	-	-	-	196,132
Other	<u>279,678</u>	<u>139,683</u>	<u>2,127,181</u>	<u>-</u>	<u>7,069</u>	<u>58,275</u>	<u>2,611,886</u>
	<u>888,652</u>	<u>293,923</u>	<u>2,348,589</u>	<u>134,192</u>	<u>7,069</u>	<u>58,275</u>	<u>3,730,700</u>
Expenses							
Materials and Supplies	131,976	63,210	20,653	136,032	-	-	351,871
Professional Fees	100,811	17,905	3,750	-	-	-	122,466
Wages and Benefits	34,984	175,859	49,892	-	10,369	-	271,104
Other	<u>114,522</u>	<u>224,626</u>	<u>126,556</u>	<u>272</u>	<u>-</u>	<u>45,577</u>	<u>511,553</u>
	<u>382,293</u>	<u>481,600</u>	<u>200,851</u>	<u>136,304</u>	<u>10,369</u>	<u>45,577</u>	<u>1,256,994</u>
ISC Recoveries	(59,890)	(4,543)	-	(2,313)	-	-	(66,746)
ISC Forgiveness of Treaty Loan	<u>5,663,069</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,663,069</u>
Annual Surplus (Deficit)	<u>\$ 6,109,538</u>	<u>\$ (192,220)</u>	<u>\$ 2,147,738</u>	<u>\$ (4,425)</u>	<u>\$ (3,300)</u>	<u>\$ 12,698</u>	<u>\$ 8,070,029</u>