

Our File: D-576

July 15, 2019

Department of Indigenous Services Canada
Suite 600 – 1138 Melville Street
Vancouver, B.C. V6E 4S3

Attention: Mr. Fahim Afzal
Field Services Officer

Dear Sir:

Re: Nanoose First Nation
Audit for the year ended March 31, 2019

We are pleased to enclose the following:

► First Package

- Signed copy of the audited consolidated financial statements for Nanoose First Nation;
- Schedule of remuneration and expenses paid to Chief and Council, with review engagement report attached;

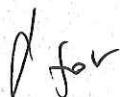
Second Package

- Signed copy of the Notice To Reader financial statements for the schedules of revenues and expenses;
- Schedule of remuneration and expenses paid to First Nation unelected senior officials; with review engagement report attached;
- Funding Reconciliation of Indigenous Services Canada (ISC) Revenue as per Funding Confirmation (GCIMS) with revenue from Statement of Operations.

If you have any questions regarding the enclosed, please do not hesitate to contact our office.

Yours very truly,

McGORMAN MacLEAN



Cam MacLean
Partner

CM/rm
enclosures

NANOOSE FIRST NATION

CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2019

NANOOSE FIRST NATION

YEAR ENDED MARCH 31, 2019
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MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The accompanying consolidated financial statements of Nanoose First Nation are the responsibility of management and have been approved by the Council.

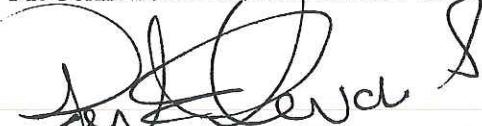
The consolidated financial statements have been prepared by management in accordance with Canadian public sector accounting standards. Financial statements are not precise since they include certain amounts based on estimates and judgments. When alternative accounting methods exist, management has chosen those it deems most appropriate in the circumstances in order to ensure that the consolidated financial statements are presented fairly, in all material respects.

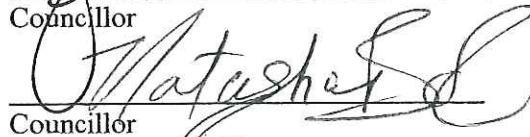
The First Nation maintains systems of internal accounting and administrative controls of high quality consistent with reasonable cost. Such systems are designed to provide reasonable assurance that the financial information is relevant, reliable and accurate and the First Nation's assets are appropriately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

The First Nation Council is responsible for ensuring that management fulfills its responsibilities for financial reporting and is ultimately responsible for reviewing and approving the consolidated financial statements.

The First Nation Council reviews the First Nation's consolidated financial statements and management letter. The Council meets periodically with management, as well as the external auditors, to discuss internal controls over the financial reporting process, auditing matters and financial reporting issues, to satisfy themselves that each party is properly discharging their responsibilities, and to review the consolidated financial statements and the external auditors' report. The Council approves the consolidated financial statements for issuance to the members. The Council also considers, for review and approval by the members, the engagement of the external auditors.

The consolidated financial statements have been audited by McGorman MacLean, Chartered Professional Accountants in accordance with Canadian generally accepted auditing standards on behalf of the members. McGorman MacLean has full and free access to the Council.



Councillor


Councillor


Councillor

INDEPENDENT AUDITORS' REPORT

To the Members of Nanoose First Nation

Qualified Opinion

We have audited the accompanying consolidated financial statements of Nanoose First Nation, which comprise the consolidated financial position as at March 31, 2019, and the consolidated statements of operations, changes in net debt 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 effect 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 as at March 31, 2019, and the consolidated results of its operations and its consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Qualified Opinion

The Nanoose First Nation holds an investment in Nanoose Economic Development Master Limited Partnership and we were unable to obtain sufficient appropriate audit evidence to support the completeness and occurrence of aquaculture revenues that were consolidated into these financial statements under the modified equity method in the prior year. As a result, we were unable to determine whether any adjustment might be necessary in opening accumulated surplus for the year ended March 31, 2019. Our audit opinion on the financial statements for the year ended March 31, 2019 was modified accordingly because of the possible effects of this limitation in scope.

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

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 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.

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. 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 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 auditors' 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 auditors' 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.

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.

McGonigle & Dackson
CHARTERED PROFESSIONAL ACCOUNTANTS

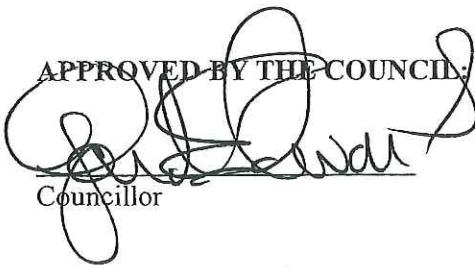
Parksville, Canada
July 15, 2019

NANOOSE FIRST NATION

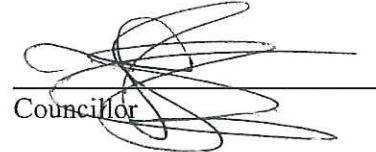
CONSOLIDATED STATEMENT OF FINANCIAL POSITION YEAR ENDED MARCH 31, 2019

	2019	2018
FINANCIAL ASSETS		
Funds on deposit in Ottawa Trusts (notes 4 and 6)	\$ 53,073	\$ 52,509
Accounts receivable (note 5)	481,131	621,417
Receivable from affiliated entities (note 7)	33,297	-
Promissory notes receivable (note 8)	711,280	711,280
Receivable from Indigenous Services Canada (note 9)	14,681	-
	1,293,462	1,385,206
FINANCIAL LIABILITIES		
Cheques issued in excess of funds on deposit (note 10)	108,427	23,301
Accounts payable and accrued liabilities	543,163	501,266
Payable to affiliated entities (note 7)	-	170,142
Payable to Indigenous Services Canada (note 9)	-	33,774
Deferred revenue (note 11)	527,565	394,709
Deficits in First Nation business partnerships and enterprises (note 12)	454,013	230,598
Long term debt (note 13)	2,442,081	2,666,341
	4,075,249	4,020,131
NET DEBT	(2,781,787)	(2,634,925)
NON-FINANCIAL ASSETS		
Tangible capital assets (note 14)	11,780,774	12,440,299
Prepaid expenses	17,445	14,858
	11,798,219	12,455,157
ACCUMULATED SURPLUS	\$ 9,016,432	\$ 9,820,232
ACCUMULATED SURPLUS (DEFICIT) AT END OF YEAR CONSISTS OF:		
Restricted (note 19 and 24)	\$ 706,578	\$ 594,162
Unrestricted	(1,267,604)	(813,270)
	(561,026)	(219,108)
Investment in tangible capital assets	9,577,458	10,039,340
	\$ 9,016,432	\$ 9,820,232
Commitments (note 15)		
Contingent liabilities (note 16)		

APPROVED BY THE COUNCIL:


Councillor


Councillor


Councillor

NANOOSE FIRST NATION

CONSOLIDATED STATEMENT OF OPERATIONS YEAR ENDED MARCH 31, 2019

	Budget (unaudited) (note 22)	2019	2018
REVENUE			
Indigenous Services Canada	\$ 1,525,900	\$ 1,394,202	\$ 1,280,005
Inter Tribal Health Authority	488,884	483,911	489,274
Province of British Columbia	231,949	320,658	338,685
Rental income - Social Housing	194,292	193,100	193,075
First Nations Health Authority	233,176	190,452	203,004
Canada Mortgage and Housing Corporation	149,355	168,497	214,136
Coast Salish Employment and Training Society	132,619	132,619	116,998
Land code income	128,119	127,013	25,119
Fisheries and Oceans Canada	91,410	91,410	91,410
Daycare	60,000	50,635	58,086
Vancouver Island Health Authority	50,000	44,592	-
First Nation Education Steering Committee	44,300	43,540	30,650
Other income	50,217	42,497	63,359
Crab licence lease income	25,000	25,000	-
Government of Canada	48,402	20,610	37,608
United Way	19,000	19,068	-
Nanaimo Child Development Centre Society	11,500	11,463	-
Dividend income from Salish Strait Seafoods Ltd.	10,000	10,000	-
Interest	6,000	7,376	6,274
Naut'sa mawt Tribal Council	5,000	5,000	4,500
Te'Mexw Treaty Association	3,000	5,000	83,000
Ottawa Trust Funds - interest revenue	1,800	1,765	1,726
Income from Snaw-Naw-As Forest Services Limited Partnership	-	338	-
Income (loss) from Snaw-Naw-As Aquaculture Ventures Inc.	-	(16)	74
Loss from Nanoose Economic Development Corporation	-	(864)	(552)
Income (loss) from Nanoose Economic Development Master Limited Partnership	-	(126,799)	25,242
	3,509,923	3,261,067	3,261,673
TOTAL EXPENSES (note 17)	4,227,550	4,064,867	4,098,845
ANNUAL DEFICIT	\$ (717,627)	(803,800)	(837,172)
ACCUMULATED SURPLUS AT BEGINNING OF YEAR			
As previously stated		9,820,232	10,577,404
Prior period adjustment (note 18)		-	80,000
As restated		9,820,232	10,657,404
ACCUMULATED SURPLUS AT END OF YEAR			
	\$ 9,016,432	\$ 9,820,232	

NANOOSE FIRST NATION

CONSOLIDATED STATEMENT OF CHANGES IN NET DEBT
YEAR ENDED MARCH 31, 2019

	2019	2018
ANNUAL DEFICIT		
Acquisition of tangible capital assets	\$ (29,074)	\$ (57,017)
Amortization of tangible capital assets	678,939	671,667
Loss on write-off of tangible capital assets	9,660	12,306
	<hr/> (144,275)	<hr/> (210,216)
Acquisition of prepaid expenses	(17,445)	(14,858)
Use of prepaid expenses	14,858	43,142
	<hr/> (2,587)	<hr/> 28,284
CHANGE IN NET DEBT	(146,862)	(181,932)
NET DEBT AT BEGINNING OF YEAR	(2,634,925)	(2,532,993)
Prior period adjustment (note 18)	-	80,000
NET DEBT AT END OF YEAR	\$ (2,781,787)	\$ (2,634,925)

NANOOSE FIRST NATION

CONSOLIDATED STATEMENT OF CASH FLOWS
YEAR ENDED MARCH 31, 2019

	2019	2018
OPERATING ACTIVITIES		
Annual deficit	\$ (803,800)	\$ (837,172)
Adjustment for items which do not involve cash:		
Amortization	678,939	671,667
Loss on write-off of tangible capital assets	9,660	12,306
	<hr/>	<hr/>
	(115,201)	(153,199)
Changes in non-cash working capital:		
Decrease (Increase)		
Accounts receivable	140,286	(178,633)
Receivable from affiliated entities	(33,297)	-
Promissory notes receivable	-	(623,000)
Receivable from Indigenous Services Canada	(14,681)	-
Prepaid expenses	(2,587)	28,284
Increase (Decrease)		
Accounts payable and accrued liabilities	41,897	(102,207)
Payable to affiliated entities	(170,142)	34,187
Payable to Indigenous Services Canada	(33,774)	(23,242)
Deferred revenue	132,856	179,454
	<hr/>	<hr/>
	60,558	(685,157)
CASH FLOWS USED IN OPERATING ACTIVITIES	<hr/>	<hr/>
CAPITAL TRANSACTIONS		
Purchase of tangible capital assets	(29,074)	(57,017)
INVESTING ACTIVITIES		
Decrease in investments in First Nation business partnerships and enterprises	223,415	596,727
FINANCING ACTIVITIES		
Decrease in long term debt	(224,260)	(224,752)
DECREASE IN CASH AND CASH EQUIVALENTS	<hr/>	<hr/>
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<hr/>	<hr/>
CASH (DEFICIENCY) AND CASH EQUIVALENTS AT END OF YEAR	<hr/>	<hr/>
	\$ (55,354)	\$ 29,208
CASH (DEFICIENCY) AND CASH EQUIVALENTS CONSIST OF:		
Cheques issued in excess of funds on deposit	\$ (108,427)	\$ (23,301)
Funds on deposit in Ottawa Trusts	53,073	52,509
	<hr/>	<hr/>
	\$ (55,354)	\$ 29,208

NANOOSE FIRST NATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS YEAR ENDED MARCH 31, 2019

1. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES

These consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles for local government entities, as outlined by the Public Sector Accounting Board (PSAB) of the Organization of Chartered Professional Accountants of British Columbia, which encompass the following principles:

(a) Basis of consolidation

The consolidated financial statements reflect a combination of the First Nation's operating, capital, social housing and trust funds.

The Operating Fund reports the general activities of the First Nation.

The Capital Fund reports the tangible capital assets of the First Nation, together with the related sources of financing.

The Social Housing Fund reports the activities within the First Nation sponsored Social Housing Program.

The Ottawa Trust Funds reports on trust funds owned by the First Nation and held by a third party.

All controlled entities are fully consolidated on a line-by-line basis except those commercial enterprises which meet the definition of a government business enterprise, which are included in the consolidated financial statements on a modified equity basis. Inter-organizational balances and transactions are eliminated upon consolidation.

Under the modified equity method of accounting, only Nanoose First Nation's investment in the government business enterprise and the enterprise's net income and other changes in equity are recorded. No adjustment is made for accounting principles of the enterprises that are different from those of Nanoose First Nation.

(b) Reporting entity and principles of financial reporting

The Nanoose First Nation reporting entity includes all entities which are accountable to the First Nation, and are either owned, directly or indirectly, or controlled by the First Nation.

These consolidated financial statements include the assets, liabilities and results of operations for the following entities:

Nanoose First Nation government administration including special and commercial projects
Nanoose First Nation Social Housing Program
Nanoose First Nation Ottawa Trust Funds
Saw-Naw-As Holdings Ltd.
Saw-Naw-As Forest Services Ltd.
Saw-Naw-As Aquaculture Ventures Inc.

These consolidated financial statements also include the investment and results of operations, based on the modified equity method, for the following entities:

Nanoose Economic Development Corporation
Nanoose Economic Development Master Limited Partnership

NANOOSE FIRST NATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS YEAR ENDED MARCH 31, 2019

1. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

(b) Reporting entity and principles of financial reporting (continued)

All inter-entity balances have been eliminated on consolidation.

The First Nation indirectly owns the following entities through its investment in Nanoose Economic Development Master Limited Partnership and Nanoose Economic Development Corporation:

Snaw-Naw-As Market Limited Partnership and its General Partner, Snaw-Naw-As Market Ltd.

Snaw-Naw-As Investments Limited Partnership and its General Partner, Snaw-Naw-As Investments Ltd.

Snaw-Naw-As Forest Services Limited Partnership and its General Partner, Snaw-Naw-As Forest Services Ltd.

Snaw-Naw-As Aquaculture Ventures Limited Partnership and its General Partner, Snaw-Naw-As Aquaculture Ventures Inc.

Snaw-Naw-As Campsite Limited Partnership and its General Partner, Snaw-Naw-As Campsite Ltd.

(c) Cash

The First Nation's policy is to present bank balances under cash or cheques issued in excess of funds on deposit.

(d) Tangible capital assets

Tangible capital assets are stated at cost and are being amortized on the straight line basis using the following annual rates:

(i) Local Revenue Fund

Computer equipment	3 years
Automotive equipment	5 years
Furniture and equipment	5 years
Boat	8 years
School and daycare	15 - 25 years
General housing	20 years
Community buildings	3 - 25 years
Health building	25 years
Infrastructure	10 - 25 years

(ii) Social Housing

Buildings	21 - 44 years
Furniture	5 years
Septic field	25 years

(e) Investments in First Nation business partnerships and enterprises

Nanoose Economic Development Master Limited Partnership - a 99.9% partnership interest

Nanoose Economic Development Corporation - a 100% ownership interest

NANOOSE FIRST NATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS YEAR ENDED MARCH 31, 2019

1. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

(e) Investments in First Nation business partnerships and enterprises (continued)

Snaw-Naw-As Forest Services Ltd. - a 100% ownership interest through the Nanoose Economic Development Corporation

Snaw-Naw-As Aquaculture Ventures Inc. - a 100% ownership interest through the Nanoose Economic Development Corporation

Snaw-Naw-As Holdings Ltd. - a 100% ownership interest

Salish Strait Seafoods Ltd. - a 20% ownership interest, recorded at cost

(f) Revenue recognition

Revenue is recognized as it becomes receivable under the terms of applicable funding agreements.

Government transfers are recognized in the financial statements as revenue in the period the transfers are authorized and any eligibility criteria have been met, except when and to the extent that the transfer gives rise to an obligation that meets the definition of a liability for the recipient government. Transfers received which meet the definition of a liability are included in deferred revenue.

Deferred revenue consists of funding which is received, externally restricted, and will not be included in revenue until the related expenses are incurred.

(g) Use of estimates

The preparation of financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the current period. Significant items subject to estimates and assumptions include valuation of accounts receivable, prepaid expenses, estimated useful lives of tangible capital assets, accrued liabilities and liabilities for contaminated sites. Actual results may differ from these estimates.

(h) Liability for contaminated sites

A liability for remediation of a contaminated site is recognized at the best estimate of the amount required to remediate the contaminated site when contamination exceeding an environmental standard exists, the First Nation is either directly responsible or accepts responsibility, it is expected that future economic benefits will be given up, and a reasonable estimate of the amount is determinable. The best estimate of the liability includes all costs directly attributable to remediation activities and is reduced by expected net recoveries based on information available at March 31, 2019.

At each financial reporting date, the First Nation reviews the carrying amount of the liability. Any revisions required to the amount previously recognized are accounted for in the period revisions are made. The First Nation continues to recognize the liability until it is settled or otherwise extinguished. Disbursements made to settle the liability are deducted from the reported liability when they are made.

NANOOSE FIRST NATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS YEAR ENDED MARCH 31, 2019

2. FINANCIAL INSTRUMENTS

The First Nation's financial instruments consists of accounts receivable, receivable from affiliated entities, promissory notes receivable, receivable from Indigenous Services Canada, cheques issued in excess of funds on deposit, accounts payable and accrued liabilities, deficits in First Nation business partnerships and enterprises and long term debt. Unless otherwise noted, it is management's opinion that the First Nation is not exposed to significant interest, currency or credit risks arising from these financial instruments, the fair value of which approximates their carrying value, except as explained in note 5.

Investments in First Nation business partnerships and enterprises

The fair market values of the investments in Nanoose Economic Development Corporation, Nanoose Economic Development Master Limited Partnership and Salish Strait Seafoods Ltd. have not been determined and accordingly may differ from the recorded values.

Interest risk

The First Nation has a line of credit and a demand loan with interest rates that fluctuate with the bank's prime lending rate.

3. ECONOMIC DEPENDENCE

Nanoose First Nation receives a major portion of its revenue pursuant to a funding arrangement with Indigenous Services Canada. The current agreement expires March 31, 2020.

4. RESTRICTED CASH

(a) Ottawa Trust Funds

The Ottawa 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 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.

(b) Replacement reserve

Under the terms of the operating agreements with Canada Mortgage and Housing Corporation (CMHC), the replacement reserve accounts are to be credited a specific amount annually as determined by CMHC. These funds, along with accumulated interest, must be held in a separate bank account by the Canada Deposit Insurance Corporation or as may otherwise be approved by CMHC from time to time. Expenses from this account must meet eligible capital item criteria per the operating agreement with CMHC.

Required transfers to the replacement reserve for 2019 totalled \$11,075 for the original Social Housing Phases VI and VII, and \$30,000 for the new Social Housing Phases I and II.

At March 31, 2019, the Nanoose First Nation was not in compliance with the CMHC operating agreement for the original Social Housing Phases VI and VII and the new Social Housing Phases I and II.

At March 31, 2019, the replacement reserve for the original Social Housing Phases VI and VII totalled \$64,708 (2018: \$55,725). The balance held in a separate bank account for the replacement reserve totalled \$6,851 (2018: \$6,743) and the remainder was receivable from the original Social Housing operating account in the amount of \$54,371 and from CMHC in the amount of \$3,486.

NANOOSE FIRST NATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS YEAR ENDED MARCH 31, 2019

4. RESTRICTED CASH (continued)

(b) Replacement reserve (continued)

At March 31, 2019, the replacement reserve for the new Social Housing Phases I and II totalled \$245,012 (2018: \$224,077). The balance held in a separate bank account for the replacement reserve totalled \$54,750 (2018: \$27,202) and the remainder was receivable from the new Social Housing operating account in the amount of \$187,852 and from CMHC in the amount of \$2,410.

(c) Subsidy surplus reserve - original Social Housing Phases VI and VII

Under the terms of the operating agreement with CMHC, excess federal assistance payments received may be retained in a subsidy surplus reserve up to a maximum of \$500 per unit plus interest. These funds, along with accumulated interest, must be held in a separate bank account and 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 this account may only be used to meet future subsidy requirements of income-tested occupants over and above the maximum federal assistance. Withdrawals are credited to interest first and then principal. When the principal amount in the fund has accumulated the maximum of \$500 per unit, the excess subsidy must be refunded to CMHC.

At year end, there were no subsidy surplus reserve funds held for the original Social Housing Phases VI and VII.

(d) Operating reserve - new Social Housing Phases I and II

Under the terms of the operating agreement with CMHC for the new Social Housing Phases I and II, surpluses from operations can be retained by the Social Housing program without any subsidy recovery by CMHC. If there is a deficit from operations, the excess expenses must be reimbursed to the Social Housing program by the First Nation.

Nanoose First Nation was unable to comply with the operating agreement. At March 31, 2019, the operating reserve fund balance was \$279,074 of which \$11,257 was held in a separate bank account for the new Social Housing and the remaining balance was receivable from the Nanoose First Nation's operating fund in the amount of \$261,442 and from CMHC in the amount of \$6,375. The March 31, 2018 operating reserve fund balance was \$254,552 of which \$8,095 was held in a separate bank account and \$246,457 was receivable from the Nanoose First Nation's operating fund.

NANOOSE FIRST NATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS YEAR ENDED MARCH 31, 2019

5. ACCOUNTS RECEIVABLE

	2019	2018
Fisheries and Oceans Canada	\$ 109,692	\$ 100,551
Other receivables	43,711	45,905
Canada Mortgage and Housing Corporation	35,762	53,844
Coast Salish Employment and Training Society	13,762	16,885
Inter Tribal Health Authority	10,006	5,003
First Nations Education Steering Committee	6,451	6,141
Vancouver Island Health Authority	4,167	-
Te'Mexw Treaty Association	3,000	83,000
New Relationship Trust	500	5,000
First Nation Health Authority	-	24,420
Province of British Columbia	-	17,534
United Way	-	15,000
	227,051	373,283
Receivable from First Nation members - formerly Social Housing	208,381	257,365
Receivable from First Nation members and staff	24,130	28,141
Allowance for doubtful accounts - members	(120,257)	(170,473)
	112,254	115,033
Social Housing rent receivable from First Nation members	431,199	396,522
Allowance for doubtful accounts - rent receivable	(289,373)	(263,421)
	141,826	133,101
	\$ 481,131	\$ 621,417

Certain accounts receivable are subject to credit risk. A significant portion of the receivables are from First Nation members which are an unsecured source. Bad debts are recorded through the local revenue fund, including bad debts which result from recording an allowance for doubtful rent receivable for the Social Housing program.

Receivable from First Nation members - formerly Social Housing, represents receivables transferred from the Social Housing Fund to the Operating Fund for those Social Housing units where the related mortgages have been repaid in full.

6. OTTAWA TRUST FUNDS

	Opening Balance	Additions	Withdrawals	2019 Total	2018 Total
Revenue	\$ 596	\$ 1,765	\$ (1,201)	\$ 1,160	\$ 596
Capital	51,913	-	-	51,913	51,913
	\$ 52,509	\$ 1,765	\$ (1,201)	\$ 53,073	\$ 52,509

NANOOSE FIRST NATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS YEAR ENDED MARCH 31, 2019

7. PAYABLE TO (RECEIVABLE FROM) AFFILIATED ENTITIES

	2019	2018
Nanoose Economic Development Corporation	\$ -	\$ (109,553)
Nanoose Economic Development Master Limited Partnership	(88,359)	8,933
Salish Strait Seafoods Ltd.	(16,950)	(2)
Snaw-Naw-As Aquaculture Limited Partnership	12,005	(12,005)
Snaw-Naw-As Campsite Limited Partnership	-	627
Snaw-Naw-As Forest Services Limited Partnership	22,878	(22,890)
Snaw-Naw-As Investments Limited Partnership	37,029	33,898
Snaw-Naw-As Market Limited Partnership	100	100
	\$ (33,297)	\$ 170,142

The amounts payable to (receivable from) the affiliated entities do not bear interest and have no specific terms of repayment.

8. PROMISSORY NOTES RECEIVABLE

	2019	2018
Nanoose Economic Development Master Limited Partnership	\$ 623,000	\$ 623,000
Snaw-Naw-As Campsite Limited Partnership	88,280	88,280
	\$ 711,280	\$ 711,280

The promissory notes receivable are unsecured, bear no interest and are payable within 90 days of demand.

9. PAYABLE TO (RECEIVABLE FROM) INDIGENOUS SERVICES CANADA

	2019	2018
Social Development		
Basic needs - surplus (deficit)	\$ (3,481)	\$ 29,705
Child out of parental home - deficit	(414)	(414)
	(3,895)	29,291
Special Funding		
Band employee benefits - surplus	622	2,383
Registry Collaboration - surplus	2,392	-
TEFA Funding K4 School - deficit	(13,800)	-
Survey funding - surplus	-	2,100
	(10,786)	4,483
	\$ (14,681)	\$ 33,774

Surpluses in programs funded under a contribution agreement are recoverable by Indigenous Services Canada and some deficits are reimbursable.

NANOOSE FIRST NATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS YEAR ENDED MARCH 31, 2019

10. BANK INDEBTEDNESS

Nanoose First Nation has a line of credit available to a maximum of \$400,000, which bears interest at prime plus 0.75%, with interest payable monthly. The line of credit is secured by a Chief's Certificate.

11. DEFERRED REVENUE

	2019	2018
Operating Fund		
Indigenous Services Canada		
Land Code	\$ 237,563	\$ 200,333
Education	122,125	32,374
ACRS	19,270	-
CPMS #11748	-	7,100
	378,958	239,807
First Nation Health Authority	15,044	35,587
Grants	42,989	28,741
Insurance proceeds Community Hall	90,574	90,574
	\$ 527,565	\$ 394,709

12. INVESTMENTS (DEFICITS) IN FIRST NATION BUSINESS PARTNERSHIPS AND ENTERPRISES

	2019	2018
First Nation Business Partnerships and Enterprises - modified equity		
Nanoose Economic Development Master Limited Partnership	\$ (452,843)	\$ (230,292)
Nanoose Economic Development Corporation	(1,172)	(308)
	(454,015)	(230,600)
First Nation Business Enterprises - cost		
Salish Strait Seafoods Ltd.	2	2
	\$ (454,013)	\$ (230,598)

All investments in First Nation business partnerships and enterprises are held in trust on behalf of the First Nation members.

NANOOSE FIRST NATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS YEAR ENDED MARCH 31, 2019

12. INVESTMENTS (DEFICIT) IN FIRST NATION BUSINESS PARTNERSHIPS AND ENTERPRISES (continued)

Investment in Nanoose Economic Development Corporation

Nanoose First Nation owns 100% of the issued shares in Nanoose Economic Development Corporation. The following presents condensed financial information as at December 31, 2018 for the company.

	2018	2017
Investment in Nanoose Economic Development Master		
Limited Partnership	\$ 375	\$ 412
Investments in subsidiaries	230	230
	605	642
Accounts payable and accrued liabilities	749	749
Payable to related parties	2,018	1,191
Share capital	10	10
	2,777	1,950
Deficit	\$ (2,172)	\$ (1,308)
Revenue	\$ (37)	\$ 275
Expenses	827	827
Net loss	\$ (864)	\$ (552)

NANOOSE FIRST NATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS YEAR ENDED MARCH 31, 2019

12. INVESTMENTS (DEFICIT) IN FIRST NATION BUSINESS PARTNERSHIPS AND ENTERPRISES (continued)

Investment in Nanoose Economic Development Master Limited Partnership

Nanoose First Nation owns a 99.9% interest in Nanoose Economic Development Master Limited Partnership. The following presents condensed financial information as at December 31, 2018 for the partnership.

	2018	2017
Cash	\$ 235,057	\$ 61,304
Tangible capital assets	3,669,584	325,902
Accounts receivable	182,158	78,574
Prepaid expenses and deposits	5,679	14,002
Due from related parties	61,120	160,855
	4,153,598	640,637
Bank indebtedness	71,373	-
Accounts payable and accrued liabilities	311,505	72,234
Distributions to members payable	27,817	-
Holback payable	264,126	-
Notes payable	711,280	711,280
Short term debt	3,148,808	7,611
Long term debt	72,004	79,916
	4,606,913	871,043
Deficit	\$ (453,315)	\$ (871,043)
Revenue	\$ 850,937	\$ 802,240
Expenses	(887,280)	(527,677)
Net income (loss)	\$ (36,343)	\$ 274,563

NANOOSE FIRST NATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS YEAR ENDED MARCH 31, 2019

13. LONG TERM DEBT

	2019	2018
Social Housing Fund - original Phases VI and VII Two mortgages held by All Nations Trust, guaranteed by CMHC, one bearing interest at 1.3% renewable on July 1, 2020 and the second bearing interest at 1.82% until maturity on June 1, 2019, repayable in monthly payments totalling \$3,666 including interest, secured by ministerial guarantees of the Minister of Indigenous Services Canada	\$ 35,760	\$ 78,894
Social Housing Fund - new Phases I and II Two mortgages held by All Nations Trust, guaranteed by CMHC, bearing interest at 1.5% and 2.14%, respectively, renewable on July 1, 2022 and March 1, 2024, respectively, repayable in monthly payments totalling \$11,004 including interest, secured by ministerial guarantees of the Minister of Indigenous Services Canada	1,661,967	1,759,809
	1,697,727	1,838,703
Bank of Montreal loan, bearing interest at prime plus 1%, repayable in monthly payments of \$4,722 plus interest, secured by a Chief's Certificate, Band Council Resolution, promissory note, confirmation of Indigenous Services Canada approval funding and assignment of contract relating to construction of a retaining wall for gas station development	708,333	765,000
Forgivable loans for residential rehabilitation assistance program, to be earned over five years from the interest adjustment date		
November 1, 2014 with interest at 5.375%	-	2,207
November 1, 2014 with interest at 5.375%	-	3,200
November 1, 2014 with interest at 5.375%	-	3,200
November 1, 2016 with interest at 4.75%	6,385	9,578
November 1, 2016 with interest at 4.75%	5,532	8,297
November 1, 2016 with interest at 4.75%	6,400	9,600
March 31, 2016 with interest at 6.125%	8,104	12,156
March 31, 2016 with interest at 6.125%	9,600	14,400
	\$ 2,442,081	\$ 2,666,341

NANOOSE FIRST NATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS YEAR ENDED MARCH 31, 2019

13. LONG TERM DEBT (continued)

Based on the current payment schedule, principal due within each of the next five years is approximately as follows:

2020	\$ 183,768
2021	165,414
2022	159,791
2023	161,902
2024	164,056

Based on current renewal dates, principal due within each of the next five years is approximately as follows:

2020	\$ 183,768
2021	165,414
2022	159,791
2023	343,942
2024	1,128,147

NANOOSE FIRST NATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS YEAR ENDED MARCH 31, 2019

14. TANGIBLE CAPITAL ASSETS

	Cost			Accumulated amortization				Balance at end of 2019	Net book value at end of 2019
	Balance at end of 2018	Additions	Disposals	Balance at end of 2019	Balance at end of 2018	Disposals	Amortization		
Local Revenue Fund:									
Land	\$ 1,029,000	\$ -	\$ -	\$ 1,029,000	\$ -	\$ -	\$ -	\$ -	\$ 1,029,000
Computer equipment	25,003	17,129	-	42,132	21,759	-	7,969	29,728	12,404
Automotive equipment	84,446	-	-	84,446	75,471	-	6,323	81,794	2,652
Furniture and equipment	147,082	11,945	-	159,027	121,354	-	12,487	133,841	25,186
Boat	88,182	-	-	88,182	67,770	-	4,283	72,053	16,129
School and daycare	494,772	-	-	494,772	413,667	-	30,413	444,080	50,692
General housing	900,031	-	21,000	879,031	533,523	(11,340)	31,380	553,563	325,468
Community buildings	117,495	-	-	117,495	92,151	-	5,937	98,088	19,407
Health building	2,288,937	-	-	2,288,937	633,683	-	108,149	741,832	1,547,105
Infrastructure	10,546,439	-	-	10,546,439	4,233,514	-	357,944	4,591,458	5,954,981
	15,721,387	29,074	21,000	15,729,461	6,192,892	11,340	564,885	6,746,437	8,983,024
Social Housing Fund:									
Land	80,000	-	-	80,000	-	-	-	-	80,000
Buildings	4,038,581	-	-	4,038,581	1,214,320	-	111,542	1,325,862	2,712,719
Furniture	93,037	-	-	93,037	93,037	-	-	93,037	-
Septic field	62,808	-	-	62,808	55,265	-	2,512	57,777	5,031
	4,274,426	-	-	4,274,426	1,362,622	-	114,054	1,476,676	2,797,750
	\$19,995,813	\$ 29,074	\$ 21,000	\$20,003,887	\$ 7,555,514	\$ 11,340	\$ 678,939	\$ 8,223,113	\$11,780,774

NANOOSE FIRST NATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS YEAR ENDED MARCH 31, 2019

14. TANGIBLE CAPITAL ASSETS (continued)

	Cost			Accumulated amortization				Balance at at end of 2018	Net book value at end of 2018	
	Balance at end of 2017	Additions	Disposals	Balance at end of 2018	Balance at end of 2017	Disposals	Amortization			
Local Revenue Fund:										
Land	\$ 1,029,000	\$ -	\$ -	\$ 1,029,000	\$ -	\$ -	\$ -	\$ -	\$ 1,029,000	
Computer equipment	63,379	2,950	41,326	25,003	52,614	41,326	10,471	21,759	3,244	
Automotive equipment	87,446	-	3,000	84,446	71,546	3,000	6,925	75,471	8,975	
Furniture and equipment	139,903	18,177	10,998	147,082	120,992	10,998	11,360	121,354	25,728	
Boat	66,677	21,505	-	88,182	58,265	-	9,505	67,770	20,412	
School and daycare	486,772	8,000	-	494,772	381,475	-	32,192	413,667	81,105	
General housing	900,031	-	-	900,031	501,093	-	32,430	533,523	366,508	
Community buildings	206,458	6,385	95,348	117,495	172,556	83,042	2,637	92,151	25,344	
Health building	2,288,937	-	-	2,288,937	525,534	-	108,149	633,683	1,655,254	
Infrastructure	10,546,439	-	-	10,546,439	3,889,570	-	343,944	4,233,514	6,312,925	
	15,815,042	57,017	150,672	15,721,387	5,773,645	138,366	557,613	6,192,892	9,528,495	
Social Housing Fund:										
Land	80,000	-	-	80,000	-	-	-	-	80,000	
Buildings	4,038,581	-	-	4,038,581	1,102,778	-	111,542	1,214,320	2,824,261	
Furniture	93,037	-	-	93,037	93,037	-	-	93,037	-	
Septic field	62,808	-	-	62,808	52,753	-	2,512	55,265	7,543	
	4,274,426	-	-	4,274,426	1,248,568	-	114,054	1,362,622	2,911,804	
	\$20,089,468	\$ 57,017	\$ 150,672	\$19,995,813	\$ 7,022,213	\$ 138,366	\$ 671,667	\$ 7,555,514	\$12,440,299	

NANOOSE FIRST NATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS YEAR ENDED MARCH 31, 2019

15. COMMITMENTS

Nanoose First Nation is committed to three photocopier leases. The first lease is for 60 months and requires monthly payments of \$149 until March 2020. The second lease is for 60 months and requires quarterly payments of \$525 until March 2023. The third lease is for 66 months and requires quarterly payments of \$354 until March 2023.

Lease payments due in the next four years are as follows:

2020	\$ 5,304
2021	3,516
2022	3,516
2023	3,516

16. CONTINGENT LIABILITIES

(a) Legal dispute

Nanoose First Nation is presently involved in a dispute over the legal ownership of certain property. The effect of any contingent claims relating to this dispute has not been determined.

(b) CMHC mortgage guarantees

Nanoose First Nation is contingently liable with respect to ministerial guarantees for "On Reserve" social housing loans, included in long term debt, as follows:

	2019	2018
Nanoose First Nation Social Housing	\$ 1,697,727	\$ 1,838,703

(c) Bank of Montreal On Reserve Housing Loan Program

Under the On Reserve Housing Loan Program, in the current year and on behalf of two members, Nanoose First Nation has guaranteed \$314,824 for two residential mortgages. The maximum guarantee under this program is \$1,000,000.

(d) Royal Bank of Canada Guarantee and Postponement of Claim

The Nanoose First Nation signed a Guarantee and Postponement of claim in the amount of \$250,000 for the Snaw-naw-as Forest Services Limited Partnership to secure bridge financing for forestry activities. The balance of this loan on March 31, 2019 was \$250,000.

(e) Bank of Montreal Guarantee and Postponement of Claim

The Nanoose First Nation signed a Guarantee and Postponement of claim in the amount of \$4,600,000 for the Snaw-naw-as Market Limited Partnership to finance the construction of a gas station. The balance of this loan on March 31, 2019 was \$3,409,077.

(d) Contaminated sites

At the reporting date, the First Nation was reviewing an environmental site assessment report for contaminated sites on lands under their management. There is insufficient information available at this time to determine whether future costs and responsibility for remediation, if any, are applicable.

NANOOSE FIRST NATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS YEAR ENDED MARCH 31, 2019

17. EXPENSES BY OBJECT

	Budget (unaudited) (note 22)	2019	2018
Administration	\$ 26,082	\$ 24,327	\$ 38,984
Amortization	689,000	678,939	671,667
Audit	51,700	46,900	51,523
Bad debt	40,000	51,946	40,553
Bank charges	11,200	19,526	13,901
Contractors and consultants	298,285	258,292	344,573
Education	162,362	96,514	84,289
Equipment lease	10,936	10,099	4,193
Honoraria	114,650	112,017	76,860
Insurance	79,700	72,918	98,401
Interest on long term debt	65,450	69,170	68,907
Office	74,802	89,689	56,055
Repairs and maintenance	383,128	335,336	454,483
Social development	408,346	357,004	390,209
Special events	75,032	63,560	64,553
Supplies	126,311	149,812	223,347
Telecommunications	28,300	34,507	32,266
Training	113,926	121,962	41,509
Travel and meetings	98,622	116,041	111,646
Wages and benefits	1,268,628	1,265,499	1,162,397
Utilities	101,090	90,809	68,529
	4,227,550	\$ 4,064,867	\$ 4,098,845

18. PRIOR PERIOD ADJUSTMENT

The First Nation adjusted 2018 revenue and expenses for the Economic Development and Land Code Operational activities. As a result, the 2018 comparative figures have been restated to reflect the following changes:

- Decrease deferred revenue by \$80,000, and
- Increase accumulated operating fund surplus by \$80,000.

19. RESTRICTED SURPLUS

A portion of the surplus in financial assets is classified as restricted due to the surplus being committed to specific future expenses or recoverable by the relevant funding agencies. This restricted surplus is set out in note 24.

NANOOSE FIRST NATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS YEAR ENDED MARCH 31, 2019

20. PENSION PLAN

Nanoose First Nation has a defined contribution pension plan for eligible employees. Under the terms of the plan, Nanoose First Nation provides 100% matching of employee contributions to the plan. Defined contributions expensed in 2019 total \$9,722 (2018 - \$8,818).

21. CONTRACTUAL RIGHT

The First Nation's Forest and Range Consultation and Revenue Sharing Agreement with the Province of British Columbia expires in March 2020. Revenue for the next fiscal year to be received from the Province of British Columbia is \$35,000.

22. BUDGET AMOUNTS

Unaudited budget figures have been provided for comparison purposes and have been derived from the estimates provided by Nanoose First Nation.

23. COMPARATIVE FIGURES

Certain 2018 comparative figures have been changed to reflect financial statement presentation adopted in the current year.

NANOOSE FIRST NATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS YEAR ENDED MARCH 31, 2019

24. SEGMENTED REPORTING

Nanoose First Nation provides a wide variety of services and programs to its members. For segment disclosure, these services and programs are reported under various funds as disclosed in note 1(a), as follows:

PROGRAM	Revenue	Expenses	Current surplus (deficit)	Adjustments and program transfers	Program increase (decrease)	Surplus (deficit) at beginning of year	Surplus (deficit) at end of year
Operating Fund							
Administration and Registration	\$ 283,113	\$ 319,494	\$ (36,381)	\$ 36,381	\$ -	\$ -	\$ -
Chief and Council	28,466	117,163	(88,697)	88,697	-	-	-
Band Employee Benefit Plans	32,660	32,660	-	-	-	-	-
Economic Development	36,107	36,107	-	-	-	-	-
Network Upgrade	25,235	33,335	(8,100)	8,100	-	-	-
Community Operations	254,986	257,825	(2,839)	2,839	-	-	-
Education	282,326	288,890	(6,564)	6,564	-	-	-
Social Development - Set Contribution	412,255	412,255	-	-	-	-	-
Social Development - Flexible Transfers	61,438	63,256	(1,818)	1,818	-	-	-
Community Health Services							
- Operations	427,463	376,713	50,750	(27,604)	23,146	3,905	27,051
- Home and Community Care	56,666	84,270	(27,604)	27,604	-	-	-
- Traditional Health	44,592	44,592	-	-	-	-	-
- Nurse Practitioner	106,843	106,843	-	-	-	-	-
Community and Health Grants	60,767	62,463	(1,696)	1,696	-	-	-
Uy'Sqwalawun Child Care Centre	353,924	281,683	72,241	(72,241)	-	-	-
Head Start Program	66,505	66,505	-	-	-	-	-
Training and Employment	158,296	161,832	(3,536)	3,536	-	-	-
Fisheries	91,410	96,000	(4,590)	4,590	-	-	-
Local Revenue Fund - Own Housing	-	80,376	(80,376)	80,376	-	-	-
Residential Rehabilitation Assistance							
Program	34,118	7,500	26,618	(26,618)	-	-	-
Land Use Planning	2,100	2,233	(133)	133	-	-	-
Property Taxation	127,013	127,013	-	-	-	-	-
Land Code - Operational	235,029	235,029	-	-	-	-	-
Local Revenue Fund (LRF)	81,418	220,598	(139,180)	(315,154)	(454,334)	(813,270)	(1,267,604)
LRF - Commercial Activities	(69,629)	27,010	(96,639)	96,639	-	-	-
Major Renovations CPMS#11748	10,411	15,150	(4,739)	4,739	-	-	-
	3,203,512	3,556,795	(353,283)	(77,905)	(431,188)	(809,365)	(1,240,553)
Social Housing Fund							
Social Housing Operations	319,200	224,337	94,863	(41,969)	52,894	221,487	274,381
Replacement Reserves	6,439	11,702	(5,263)	41,075	35,812	316,261	352,073
	325,639	236,039	89,600	(894)	88,706	537,748	626,454
Capital Fund							
226,718	688,600	(461,882)	-	(461,882)	10,039,340	9,577,458	
Ottawa Trust Funds							
1,765	-	1,765	(1,201)	564	52,509	53,073	
Less internal capital funding	(232,616)	(232,616)	-	-	-	-	-
Less internal program transfers	(263,951)	(183,951)	(80,000)	80,000	-	-	-
	\$ 3,261,067	\$ 4,064,867	\$ (803,800)	\$ -	\$ (803,800)	\$ 9,820,232	\$ 9,016,432
RESTRICTED SURPLUS:							
Ottawa Trust Funds					\$ 52,509	\$ 53,073	
Social Housing Fund					537,748	626,454	
Community Health Services - Operations					3,905	27,051	
					\$ 594,162	\$ 706,578	

REVIEW ENGAGEMENT REPORT

To the members of Nanoose First Nation

At the request of Nanoose First Nation, we have reviewed the schedule of remuneration and expenses for the year ended March 31, 2019, prepared in accordance with the provisions of Section 7.3 of the Indigenous Services Canada financial reporting requirements covering fiscal year 2018-2019. Our review was made in accordance with Canadian generally accepted standards for review engagements and, accordingly, consisted primarily of enquiry, analytical procedures and discussion related to information supplied to us by the First Nation.

A review does not constitute an audit and consequently we do not express an audit opinion on the schedule of remuneration and expenses.

Based on our review, nothing has come to our attention that causes us to believe that this schedule is not, in all material respects, in accordance with the provisions of Section 7.3 of the Indigenous Services Canada financial reporting requirements for fiscal year 2018-2019.

McGorman MacLean
CHARTERED PROFESSIONAL ACCOUNTANTS

Parksville, Canada
July 15, 2019

NANOOSE FIRST NATION
Annex B:
Schedule of Remuneration and Expenses
Chief and Council

For the year ended March 31, 2019

Name of Individual	Position Title	Number of Months	Remuneration	Expenses
Gordon Edwards	Chief	12	17,600	2,735
Brent Edwards	Councilor / Fisheries	12	133,784	8,667
Lawrence Mitchell	Councilor	12	13,000	1,533
Natasha Bob	Councilor	12	13,000	2,404
Thomas Bob	Councilor / Land Code Development Manager	12	77,821	11,638