

**HESQUIAHT FIRST NATION
Consolidated Financial Statements
Year Ended March 31, 2021**

HESQUIAHT FIRST NATION
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Year Ended March 31, 2021

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MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The consolidated financial statements of Hesquiaht First Nation have been prepared in accordance with Canadian public sector accounting standards (PSAS). When alternative accounting methods exist, management has chosen those it deems most appropriate in the circumstances. These statements include certain amounts based on management's estimates and judgments. Management has determined such amounts based on a reasonable basis in order to ensure that the financial statements are presented fairly in all material respects.

The integrity and reliability of Hesquiaht First Nation's reporting systems are achieved through the use of formal policies and procedures, the careful selection of employees and an appropriate division of responsibilities. These systems are designed to provide reasonable assurance that the financial information is reliable and accurate.

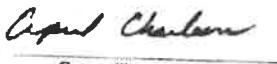
The Chief and Council is responsible for ensuring that management fulfills its responsibility for financial reporting and is ultimately responsible for reviewing and approving the financial statements. The Council carries out this responsibility principally by reviewing the financial information prepared by management and discussing relevant matters with management and external auditors. The Council is also responsible for recommending the appointment of the Nation's external auditors.

The consolidated financial statements have been audited on behalf of the members by Morine & Schindler CPAs LLP, in accordance with Canadian public sector accounting standards (PSAS).



Chief
J. Charlson

Councillor



Councillor


Councillor

Parksville, BC
September 09, 2021

Morine & Schindler

CHARTERED PROFESSIONAL ACCOUNTANTS LLP

INDEPENDENT AUDITOR'S REPORT

To the Members of Hesquiaht First Nation

Report on the Consolidated Financial Statements

Opinion

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

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

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Nation in accordance with 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 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 PSAS, 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 either intends to liquidate the Nation or to cease operations, or has no realistic alternative but to do so.

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

(continues)

Morine & Schindler

CHARTERED PROFESSIONAL ACCOUNTANTS LLP

Independent Auditor's Report to the Members of Hesquiaht First Nation *(continued)*

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these 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.



Nanaimo, British Columbia
September 9, 2021

CHARTERED PROFESSIONAL ACCOUNTANTS

HESQUIAHT FIRST NATION
Consolidated Statement of Financial Position
March 31, 2021

FINANCIAL ASSETS

Cash	\$ 8,594,055	\$ 966,992
Accounts receivable	645,891	322,288
CMHC subsidies receivable	1,545	16,993
GST receivable	18,690	6,935
Rent receivable	31,539	48,190
Restricted cash (Note 3)	11,578	11,609
Funds held in trust (Note 4)	58,493	56,169
Investment in joint venture (Note 5)	1,365,865	1,212,227
	10,727,656	2,641,403

LIABILITIES

Accounts payable	2,433,772	225,780
Damage deposits	1,916	1,916
Interest payable	282	325
Wages payable	46,302	23,935
Deferred income	30,000	-
Long term debt (Note 8)	278,362	317,993
	2,788,634	569,949

NET FINANCIAL ASSETS

7,939,022 2,071,454

NON-FINANCIAL ASSETS

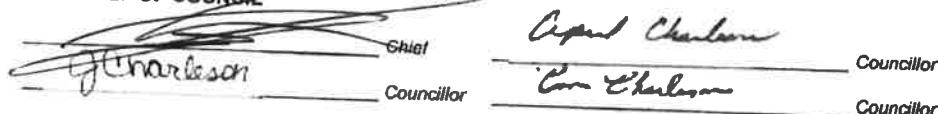
Prepaid expenses	42,169	41,078
Tangible capital assets (Note 7)	18,395,735	8,674,194

ACCUMULATED SURPLUS

\$ 26,376,926 \$ 10,786,726

CONTINGENT LIABILITY (Note 9)

ON BEHALF OF COUNCIL



 G. Charlson Councillor C. Charlson Councillor

See notes to financial statements

HESQUIAHT FIRST NATION
Consolidated Statement of Operations and Accumulated Surplus
Year Ended March 31, 2021

	Budget 2021	Total 2021	Total 2020
REVENUES			
Nuu-chah-nulth Tribal Council	\$ 2,379,609	\$ 8,869,543	\$ 2,833,726
Province of British Columbia	190,000	2,879,272	190,910
CMHC	31,234	33,016	18,538
Interest income	62,278	21,878	49,094
Administration fees and recoveries	234,967	392,628	326,400
Rental income	62,770	65,381	43,270
Fisheries revenues	11,000	9,100	4,364
Other revenue	37,060	4,499,502	93,627
Allocation to RRF	-	9,406	9,406
FNESC	45,238	53,181	62,647
Product sales	24,645	87,083	25,005
BCFN Gaming	674,826	674,826	627,875
Income from modified equity investments	30,000	208,638	236,933
Forgiveness of debt	-	-	2,222,601
Government of Canada	9,250	3,593,571	-
	3,792,877	21,397,025	6,744,396
EXPENSES			
Segment - Operations (<i>Schedule 2</i>)	3,468,714	5,727,363	5,483,135
Segment - Enterprise (<i>Schedule 3</i>)	14,835	31,601	14,835
Segment - Social Housing (<i>Schedule 4</i>)	53,589	47,861	159,359
	3,537,138	5,806,825	5,657,329
ANNUAL SURPLUS	255,739	15,590,200	1,087,067
ANNUAL SURPLUS	255,739	15,590,200	1,087,067
ACCUMULATED SURPLUS - BEGINNING OF YEAR	10,786,726	10,786,726	9,699,659
ACCUMULATED SURPLUS - END OF YEAR	\$ 11,042,465	\$ 26,376,926	\$ 10,786,726

HESQUIAHT FIRST NATION
Consolidated Statement of Changes in Net Financial Assets
Year Ended March 31, 2021

	Budget 2021	2021	2020
ANNUAL SURPLUS	\$ 255,739	\$ 15,590,200	\$ 1,087,067
Amortization of tangible capital assets	-	1,008,088	1,024,804
Purchase of tangible capital assets	-	(10,729,630)	(3,917,129)
Proceeds on disposal of tangible capital assets	-	-	3,361,811
Decrease (increase) in prepaid expenses	-	(1,094)	115,082
Decrease in inventory	-	-	67,830
	-	(9,722,636)	652,398
INCREASE IN NET FINANCIAL ASSETS	255,739	5,867,564	1,739,465
NET FINANCIAL ASSETS - BEGINNING OF YEAR	2,071,456	2,071,457	331,992
NET FINANCIAL ASSETS - END OF YEAR	\$ 2,327,195	\$ 7,939,021	\$ 2,071,457

HESQUIAHT FIRST NATION
Consolidated Statement of Cash Flows
Year Ended March 31, 2021

	2021	2020
OPERATING ACTIVITIES		
Annual surplus	\$ 15,590,200	\$ 1,087,067
Items not affecting cash:		
Amortization of tangible capital assets	1,008,088	1,024,804
Income from modified equity investments	(208,638)	(236,933)
	16,389,650	1,874,938
Changes in non-cash working capital:		
Accounts receivable	(323,603)	519,698
CMHC subsidies receivable	15,448	(15,442)
Rent receivable	16,651	7,428
Inventory	-	67,830
GST receivable	(11,755)	(716)
Accounts payable	2,207,993	(37,928)
Deferred income	30,000	-
Prepaid expenses	(1,091)	115,079
Restricted cash	31	(135)
Funds held in trust	(2,324)	(2,550)
Interest payable	(43)	(55)
Wages payable	22,367	(8,653)
	1,953,674	644,556
Cash flow from operating activities	18,343,324	2,519,494
INVESTING ACTIVITIES		
Purchase of tangible capital assets	(10,729,630)	(3,917,129)
Proceeds on disposal of tangible capital assets	-	3,361,811
Draws from equity investments	55,000	45,000
Cash flow used by investing activities	(10,674,630)	(510,318)
FINANCING ACTIVITIES		
Advances from related parties	-	25,533
Repayment of long term debt	(41,631)	(2,282,992)
Cash flow used by financing activities	(41,631)	(2,257,459)
INCREASE (DECREASE) IN CASH FLOW	7,627,063	(248,283)
Cash - beginning of year	966,992	1,215,275
CASH - END OF YEAR	\$ 8,594,055	\$ 966,992

HESQUIAHT FIRST NATION
Notes to Consolidated Financial Statements
Year Ended March 31, 2021

1. OPERATIONS

Hesquiaht First Nation (the "First Nation") is located in the province of British Columbia, and provides various services to its members. Hesquiaht First Nation includes the Nation's members, government and all related entities that are accountable to the Nation and are either owned or controlled by the Nation.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

The consolidated financial statements are the representations of management, prepared in accordance with Canadian public sector accounting standards (GAAP).

Basis of consolidation

The consolidated financial statements include the financial activities of all entities and departments comprising the Nation reporting entity, except for Nation Business Entities. As a result, figures as at March 31, 2021 or for the years then ended include the operating fund, enterprise fund, social housing fund and the capital fund. All inter-entity balances have been eliminated, however, in the respective schedules transactions between departments have not been eliminated in order to present the results of operations for each specific department.

Investments in partnerships where Hesquiaht does not own or control the entity are included in the consolidated financial statements using the modified equity method. Under the modified equity method, the equity method of accounting is modified only to the extent that the business entity accounting principles are not adjusted to conform to those of the Nation. Thus, the Nation's investment in these entities is recorded at acquisition cost and is increased for the proportionate share of post acquisition earnings and decreased by post acquisition losses and distributions received. Entities accounted for by the modified equity basis include:

	Ownership %	Year end
Hayu Fishing Limited Partnership	25.00	December 31, 2020
Hayu Fishing Ltd.	25.00	December 31, 2020

Cash and cash equivalents

Cash includes cash and cash equivalents. Cash equivalents include short term investments with maturities of three months or less. Cash subject to restrictions that prevent its use for current purposes is included in restricted cash.

Measurement uncertainty

The preparation of financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Such estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Actual results could differ from these estimates.

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HESQUIAHT FIRST NATION
Notes to Consolidated Financial Statements
Year Ended March 31, 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Funds Held in Trust

Funds held in trust on behalf of Nation members by the Government of Canada in the Ottawa Trust Fund are reported on the statement of financial position and consist of:

- Capital trust monies derived from non-renewable resource transactions on the sale of land or other Nation tangible capital assets; and
- Revenue trust monies generated primarily through land leasing transactions or interest earned on deposits held in trust.

Asset Classification

Assets are classified as 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 normally provide resources to discharge existing liabilities but are employed to deliver government services, may be consumed in normal operations and are not for resale in the normal course of operations. Non-financial assets include tangible capital assets and prepaid expenses.

Liability for Contaminated Site

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 Band 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.

At each financial reporting date, the Band reviews the carrying amount of the liability. Any revision required to the amount previously recognized is accounted for in the period revisions are made. The Band 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. As at March 31, 2021, no liability for contaminated site exists.

Net Financial Assets (Net Debt)

The Nation's financial statements are presented so as to highlight net financial assets (net debt) as the measurement of financial position. The net financial assets (net debt) of the nation is determined by its financial assets less its liabilities. Net financial assets (net debt) combined with non-financial assets comprise a second indicator of financial position, accumulated surplus (deficit).

Segments

The Nation conducts its business through a number of reportable segments as described in Note 11. These operating segments are established by senior management to facilitate the achievement of the Nation's long-term objectives, to aid in resource allocation decisions, and to assess operational performance.

For each reported segment, revenue and expenses represent both amounts that are directly attributable to the segment and amounts that are allocated on a reasonable basis.

The accounting policies used in these segments are consistent with those followed in the preparation of the consolidated financial statements.

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HESQUIAHT FIRST NATION
Notes to Consolidated Financial Statements
Year Ended March 31, 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Tangible capital assets

Tangible capital assets are stated at cost or deemed cost less accumulated amortization and are amortized over their estimated useful lives at the following rates and methods:

Buildings	15 years	straight-line method
Equipment	5 years	straight-line method
Marine equipment	7 years	straight-line method
Infrastructure	20 years	straight-line method
Motor vehicles	7 years	straight-line method
Computer equipment	3 years	straight-line method

The Nation regularly reviews its tangible capital assets to eliminate obsolete items. Government grants are treated as a reduction of tangible capital assets cost.

Tangible capital assets acquired during the year but not placed into use are not amortized until they are placed into use.

All intangible assets and items inherited by the right of the Nation, such as reserve lands, forests, water and mineral resources, are not recognized in the Nation's consolidated financial statements.

Housing units are amortized at an annual amount equal to the principal reduction in related debt as per the Nation's agreement with CMHC.

The First Nation performs impairment testing on tangible capital assets whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Impairment losses are recognized when an asset's service potential is reduced and they are charged to surplus in the year.

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HESQUIAHT FIRST NATION
Notes to Consolidated Financial Statements
Year Ended March 31, 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue recognition

The Nation recognizes revenues when they are earned, specifically when all the following conditions are met:

- services are provided or products are delivered to customers
- there is clear evidence that an arrangement exists
- amounts are fixed or can be determined
- the ability to collect is reasonably assured.

Government transfers

The Nation recognizes a government transfer as revenue when the transfer is authorized and all eligibility criteria, if any, have been met. A government transfer with stipulations giving rise to an obligation that meets the definition of a liability is recognized as a liability. In such circumstances, the First Nation recognizes revenue as the liability is settled. Transfers of non-depreciable assets are recognized in revenue when received or receivable.

First Nation Capital and Revenue Trust Funds

The Nation recognizes revenue of the Capital and Revenue Trust Fund at the time funds are contributed from the accounts held in Ottawa. Interest revenue is recognized when earned.

Canada Mortgage and Housing Corporation ("CMHC")

CMHC revenue is recognized as it becomes receivable under the terms of the applicable funding agreements. Funding received under funding arrangements that relate to a subsequent fiscal period are reflected as deferred revenue on the consolidated statement of financial position in the year of receipt.

Housing rental income

Rental revenue is recorded in the year it is earned. At the end of each year management evaluates whether rent revenue is collectible and records a bad debt expense and allowance for doubtful accounts for those amounts designated as unlikely to be collected.

Own source and other revenue

Own source and other revenue is recognized when performance is completed, amounts are measurable and collection is reasonably assured.

Investment income

Investment income is recognized by the Nation when investment income is earned.

HESQUIAHT FIRST NATION
Notes to Consolidated Financial Statements
Year Ended March 31, 2021

3. Restricted cash

Under the terms of the agreement with Canada Mortgage and Housing Corporation ("CMHC"), the replacement reserve account is to be credited by an amount annually. These funds, along with accumulated interest, must be held in a separate bank account and/or invested only in accounts or instruments insured by the Canada Deposit Insurance Corporation or as may otherwise be approved by CMHC from time to time. The funds in the account may only be used as approved by CMHC. At year end, these reserves were not adequately funded.

4. Funds held in trust

	2021	2020
Capital		
Balance beginning and end of year	<u>\$ 16,553</u>	<u>\$ 16,553</u>
Subtotal	<u>16,553</u>	<u>16,553</u>
Revenue		
Balance beginning of year	<u>39,616</u>	<u>37,066</u>
Additions	<u>2,324</u>	<u>2,550</u>
Balance end of year	<u>41,940</u>	<u>39,616</u>
	<u>\$ 58,493</u>	<u>\$ 56,169</u>

The Ottawa Trust accounts arise from monies derived from capital or revenue sources as outlined in Section 62 of the Indian Act. These funds are held in trust in the 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.

5. INVESTMENTS

	Shares / Units		Cost	
	2021	2020	2021	2020
Investment - Hayu Fishing LP	25	25	\$ 1,368,031	\$ 1,214,393
Investment in Hayu Fishing Ltd	25	25	<u>(2,166)</u>	<u>(2,166)</u>
			<u>\$ 1,365,865</u>	<u>\$ 1,212,227</u>

HESQUIAHT FIRST NATION
Notes to Consolidated Financial Statements
Year Ended March 31, 2021

6. Summary financial information for entities accounted for using the modified equity method

The Nation holds a 25% partnership interest in Hayu Fishing LP (HFLP), and 25% of the outstanding shares of Hayu Fishing Ltd (HFLTD) whose yearends are December 31, 2020.

	HFLP	HFLTD
Assets		
Cash and investments	\$ 966,895	\$ 619
Accounts receivable	430,793	-
Tangible capital assets	9,979	-
Intangible assets	4,064,716	-
Assets held for sale	15,000	-
Due from related parties	-	482
 Total assets	 \$ 5,487,383	 \$ 1,101
 Liabilities		
Accounts payable	\$ 15,442	\$ 1,100
Due to related parties	482	-
 Total liabilities	 \$ 15,924	 \$ 1,100
 Equity		
Partnership equity	\$ 5,471,459	\$ -
Share capital	-	1
 Total equity	 \$ 5,471,459	 \$ 1
 Operations		
Total revenue	\$ 1,012,110	\$ 10,083
Total expenses	(177,477)	(1,418)
 Net income	 \$ 834,633	 \$ 8,665

HESQUIAHT FIRST NATION
Notes to Consolidated Financial Statements
Year Ended March 31, 2021

7. TANGIBLE CAPITAL ASSETS

<u>Cost</u>	2020			2021	
	Balance	Additions	Disposals	Balance	
Land	\$ 804,507	\$ -	\$ -	\$ 804,507	
Buildings	14,251,437	-	-	14,251,437	
Social Housing Units	816,293	-	-	816,293	
Infrastructure	7,775,766	-	-	7,775,766	
Vehicles	30,044	-	-	30,044	
Marine equipment	209,551	-	-	209,551	
Equipment	1,208,942	-	-	1,208,942	
Computer equipment	57,615	-	-	57,615	
Construction in progress	1,342,018	10,729,630	-	12,071,648	
	<u>\$ 26,496,173</u>	<u>\$ 10,729,630</u>	<u>\$ -</u>	<u>\$ 37,225,803</u>	

<u>Accumulated Amortization</u>	2020			Accumulated Amortization		<u>2021</u>
	Balance	Amortization	on Disposals	Balance		
Land	\$ -	\$ -	\$ -	\$ -	\$ -	
Buildings	10,885,903	728,360	-	11,614,263		
Social Housing Units	516,289	27,645	-	543,934		
Infrastructure	5,151,086	166,038	-	5,317,124		
Vehicles	9,330	4,292	-	13,622		
Marine equipment	185,490	8,307	-	193,797		
Equipment	1,018,977	70,916	-	1,089,893		
Computer equipment	54,904	2,531	-	57,435		
Construction in progress	-	-	-	-		
	<u>\$ 17,821,979</u>	<u>\$ 1,008,089</u>	<u>\$ -</u>	<u>\$ 18,830,068</u>		

<u>Net book value</u>	2021		2020	
Land	\$ 804,507	\$ 804,507		
Buildings	2,637,174	3,365,534		
Social Housing Units	272,359	300,004		
Infrastructure	2,458,642	2,624,680		
Vehicles	16,422	20,714		
Marine equipment	15,754	24,061		
Equipment	119,049	189,965		
Computer equipment	180	2,711		
Construction in progress	12,071,648	1,342,018		
	<u>\$ 18,395,735</u>	<u>\$ 8,674,194</u>		

HESQUIAHT FIRST NATION
Notes to Consolidated Financial Statements
Year Ended March 31, 2021

8. LONG TERM DEBT

	2021	2020
All Nations Trust Company loan bearing interest at 1.86% per annum, repayable in monthly blended payments of \$985. The loan matures on February 1, 2024 and is secured by housing units and ministerial guarantee.	\$ 33,542	\$ 44,633
All Nations Trust Company loan bearing interest at 1.86% per annum, repayable in monthly blended payments of \$1,618. The loan matures on April 1, 2024 and is secured by housing units and ministerial guarantee.	145,631	162,185
NEDC loan bearing interest at 3.45% per annum, repayable in monthly blended payments of \$1,310.	<u>97,189</u>	<u>111,175</u>
	<u>\$ 276,362</u>	<u>\$ 317,993</u>

Principal repayment terms are approximately:

2022	\$ 40,783
2023	41,742
2024	41,736
2025	15,438
2026	14,447
Thereafter	<u>122,216</u>
	<u>\$ 276,362</u>

9. CONTINGENT LIABILITY

The Nation has a housing program with CMHC. The financial results of that program are subject to review by CMHC and it is possible that adjustments could be made based on the results of their review.

10. ECONOMIC DEPENDENCE

The Nation indirectly receives a significant portion of its revenue from Indigenous Services Canada (ISC) as a result of Treaties entered into with the Government of Canada. These treaties are administered by ISC under the terms and conditions of the Indian Act. The ability of the Nation to continue operations is dependent upon the Government of Canada's continued financial commitments as guaranteed by these treaties.

HESQUIAHT FIRST NATION
Notes to Consolidated Financial Statements
Year Ended March 31, 2021

11. Segments

The Nation receives revenue and incurs expenses from many different projects and sources. For management and reporting purposes, the revenue, expenses and surplus or deficits are organized by the following segments:

Operations:

Includes revenue and expenses related to general administration, education, health, capital projects and social services of the Nation.

Enterprise:

Includes revenue and expenses related to government business entities.

Social Housing:

Includes revenue and expenses related to CMHC supported housing.

Treaty:

Includes revenue and expenses related to treaty activities.

12. Budget information

The disclosed budget information has been approved by the Chief and Council of the Hesquiat First Nation.

Budget information was not prepared for the full scope of activities performed by the Nation for the year ended March 31, 2021. Budget information was not prepared, available or approved for several departments.
