

HUPACASATH FIRST NATION

FINANCIAL STATEMENTS

March 31, 2023

HUPACASATH FIRST NATION
INDEX
March 31, 2023

	Page
Management's Responsibility for Financial Reporting	3
Independent Auditor's Report	4 - 5
Financial Statements	
Statement of Financial Position	6
Statement of Change in Net Financial Assets	7
Statement of Revenue, Expenditures and Accumulated Surplus	8
Statement of Cash Flows	9
Notes to Financial Statements	10 - 31
Schedules of Financial position and Revenue, Expenditures and Equity by Program	
Summary Schedule of Revenue, Expenditures and Equity by Program	32 - 33
Operating Fund Schedule of Financial Position - Schedule #1	34
Administration - Schedule #2	35 - 36
Capital - Residential - Schedule #3	37
Capital - Non-residential - Schedule #4	38
Community & Human Services - Schedule #5	39
Community Garden - Schedule #6	40
Community Maintenance - Schedule #7	41
Economic Development - Schedule #8	42
Education - Schedule #9	43
Employment & Training - Schedule #10	44
Fisheries - Schedule #11	45
Natural Resources - Schedule #12	46
Social Development - Schedule #13	47
Provision for Capital Assets - Schedule #14	48
Trust Fund Schedule of Financial Position - Schedule #15	49
Trust Fund - Schedule #16	50

**HUPACASATH FIRST NATION
INDEX
March 31, 2023**

Page

Schedules of Financial position and Revenue, Expenditures and Equity by Program, continued

Social Housing Fund Schedule of Financial Position - Schedule #17	51
Social Housing - Projects - Schedule #18	52
Enterprise Fund Schedule of Financial Position - Schedule #19	53
Enterprise Fund - Schedule #20	54
Treaty Fund Schedule of Financial Position - Schedule #21	55
Treaty - General - Schedule #22	56

HUPACASATH FIRST NATION
MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING
March 31, 2023

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

The financial statements have been prepared by management in accordance with Canadian public sector accounting standards prescribed for governments as recommended by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada and as such include amounts that are the best estimates and judgments of management.

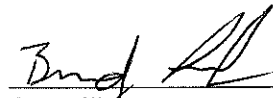
Management is responsible for the integrity and objectivity of these statements and for implementing and maintaining a system of internal controls to provide reasonable assurance that reliable financial information is produced.

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

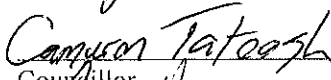
The Council meets periodically with management, as well as the external auditors, to discuss internal controls over the financial reporting process, auditing matters and financial reporting issues, to satisfy themselves that each party is properly discharging their responsibilities, and to review the financial statements and the external auditor's report.

The external auditors, Sabo, Jang Co. Ltd., conduct an independent examination, in accordance with Canadian auditing standards, and express their opinion on the financial statements. The external auditors have full and free access to financial management of Hupacasath First Nation and meet when required.

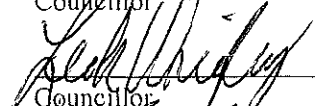
On behalf of Hupacasath First Nation:


Councillor

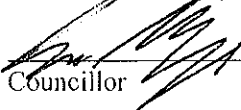
Aug 30, 2023
Date


Councillor

Aug 30, 2023
Date


Councillor

Aug 30, 2023
Date


Councillor

Aug 30, 2023
Date



SABO, JANG & CO. LTD.

(A Professional Corporation)

Chartered Professional Accountants

GREG K. SABO, CPA, CGA

MICHAEL JANG, CPA, CGA, CAFM

Independent Auditor's Report

To the Members of
Hupacasath First Nation

Qualified Opinion

We have audited the financial statements of Hupacasath First Nation (First Nation), which comprise the statement of financial position as at March 31, 2023, and the statements of revenue, expenditures and accumulated surplus, change in net financial assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the First Nation as at March 31, 2023, and the results of its operations, its changes in its net debt, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Qualified Opinion

As noted in Note 1 - Basis of Presentation and Significant Accounting Policies regarding tangible capital assets, the Social Housing tangible capital assets are required by Canada Mortgage and Housing Corporation to be amortized at a rate equivalent to the annual principal reduction of the related long term debt. This amortization policy is not in accordance with the Canadian public sector accounting standards, which require that tangible capital assets be amortized over their estimated useful lives. The effect of this departure has not been determined on the net book value of tangible capital assets, the related amortization expense, annual surplus and equity in capital assets.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the First Nation in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Emphasis of Matter

Our audit was conducted for the purpose of forming an opinion on the financial statements of First Nation taken as a whole. The supplementary information included on the schedules on pages 36-56 is presented for the purposes of additional analysis and is not a part of the audited financial statements. As such the supplementary information provided is not included under this report and we give no formal opinion on the information provided.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with 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 financial statements, management is responsible for assessing the First Nation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the First Nation or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Parksville, B.C.
August 30, 2023

Sahoo, Gang & Co. Ltd.

Chartered Professional Accountants

**HUPACASATH FIRST NATION
STATEMENT OF FINANCIAL POSITION
March 31, 2023**

	2023	2022
FINANCIAL ASSETS		
Cash	\$ 3,689,366	\$ 1,833,043
Restricted cash (Note 2)	977,305	405,576
Accounts receivable	1,746,657	467,706
Due from/to related parties (Note 3)	2,049,033	1,567,084
Deposit	30,000	-
Loan receivable (Note 4)	2,267,805	2,844,880
Investment in First Nation business partnerships & enterprises (Note 5)	1,839,686	1,923,933
Excise tax recoverable	24,344	-
	<u>12,624,196</u>	<u>9,042,222</u>
LIABILITIES		
Accounts payable and accrued liabilities (Note 6)	544,778	501,681
Deferred revenue (Note 7)	2,008,120	57,320
Excise tax payable	-	1,466
Reserves (Note 8)	88,984	22,859
Long-term debt (Note 9)	5,384,543	6,205,923
	<u>8,026,425</u>	<u>6,789,249</u>
NET FINANCIAL ASSETS	<u>4,597,771</u>	<u>2,252,973</u>
NON-FINANCIAL ASSETS		
Tangible capital assets (Note 10)	5,094,237	5,203,066
Prepaid expenses	157,172	129,679
Inventories held for use	-	79,077
	<u>5,251,409</u>	<u>5,411,822</u>
ACCUMULATED SURPLUS & CONTRIBUTED EQUITY (Note 11)	<u>\$ 9,849,180</u>	<u>\$ 7,664,795</u>


Contingent liability (Note 17)

Approved on behalf of the Hupacasath First Nation

 , Councillor

 , Councillor

 , Councillor

 , Councillor

See accompanying Notes to Financial Statements.

HUPACASATH FIRST NATION
STATEMENT OF CHANGE IN NET FINANCIAL ASSETS
For the year ended March 31, 2023

	2023 Budget	2023 Actual	2022 Actual
ANNUAL SURPLUS	\$ 180,751	\$ 2,184,381	\$ 1,870,410
Acquisition of tangible capital assets	-	(359,779)	(396,286)
Amortization of tangible capital assets	-	468,612	538,902
	-	108,833	142,616
Consumption (acquisition) of prepaid assets	(27,493)	(27,493)	(34,758)
Disposition of inventories held for use	79,077	79,077	(79,077)
Increase in net financial assets	232,335	2,344,798	1,899,191
Net Financial Assets (Debt) at beginning of year	-	2,252,973	353,782
Net Financial Assets (Debt) at end of year	\$ -	\$ 4,597,771	\$ 2,252,973

See accompanying Notes to Financial Statements.

HUPACASATH FIRST NATION
STATEMENT OF REVENUE, EXPENDITURES AND ACCUMULATED SURPLUS
For the year ended March 31, 2023

	2023 Budget	2023 Actual	2022 Actual
REVENUE			
Logging revenue	\$ 1,383,625	\$ 3,353,923	\$ 2,431,617
Nuu-chah-nulth Tribal Council	1,538,011	2,224,153	2,258,612
Province of BC	481,089	954,937	531,231
Department of Fisheries and Oceans	260,304	569,681	554,758
BC First Nations Gaming Revenue	192,475	339,588	192,474
Interest income	89,992	202,673	133,680
Grants	63,000	167,490	256,890
Rental income	29,500	156,130	139,694
Canada Mortgage and Housing Corporation	-	138,431	76,572
School District #70 contribution	-	99,000	40,772
Administration recoveries	136,715	90,180	100,050
Own source revenue	-	42,816	8,773
First Nations Health Authority	48,000	34,902	75,198
Donations and other	16,650	27,149	38,095
Nuu-chah-nulth Economic Development Corporation	-	13,687	100,537
First Nation Education Steering Committee	42,000	11,164	193,877
Insurance proceeds	-	-	74,744
Net income (losses) - Business Partnerships (Note 5)	-	(84,224)	(188,106)
	4,281,361	8,341,680	7,019,468
EXPENDITURES (Note 13)			
Operating Fund	2,881,184	3,945,555	3,572,699
Social Housing Fund	-	231,652	160,347
Enterprise Fund	1,156,844	1,976,104	1,410,051
Treaty Fund	25,782	3,988	5,961
	4,063,810	6,157,299	5,149,058
ANNUAL SURPLUS	180,751	2,184,381	1,870,410
ACCUMULATED SURPLUS AT BEGINNING OF YEAR			
As previously stated	-	5,558,361	3,749,394
Prior period adjustment (Note 15)	-	61,443	-
As restated	-	5,619,804	3,749,394
TRANSFERS	(4,400)	-	-
ACCUMULATED SURPLUS AT END OF YEAR	\$ 176,351	\$ 7,804,185	\$ 5,619,804

See accompanying Notes to Financial Statements.

**HUPACASATH FIRST NATION
STATEMENT OF CASH FLOWS
For the year ended March 31, 2023**

	2023	2022
Cash flows from		
Operating activities		
ANNUAL SURPLUS	\$ 2,184,381	\$ 1,870,410
Items not affecting cash		
Amortization	468,612	538,902
	2,652,993	2,409,312
Change in non-cash operating working capital		
Accounts receivable	(1,278,951)	139,599
Prepaid expenses	(27,493)	(34,758)
Deposit	(30,000)	-
Loan receivable	577,075	508,978
Inventory	79,077	(79,077)
Accounts payable and accrued liabilities	43,102	163,634
Deferred revenue	1,950,800	54,044
Reserves	66,125	(26,674)
Due to/from related parties	(481,949)	(738,668)
Excise tax payable	(1,466)	(31,434)
Excise tax recoverable	(24,344)	-
	3,524,969	2,364,956
Capital activities		
Acquisition of tangible capital assets	(377,787)	(396,278)
Disposition of capital asset	18,000	-
	(359,787)	(396,278)
Financing activities		
Long-term debt	(821,377)	(803,842)
Investing activities		
Decrease in long-term investments	84,247	154,493
Increase in restricted cash	(571,729)	(6,606)
	(487,482)	147,887
Increase in cash and cash equivalents	1,856,323	1,312,723
Cash and cash equivalents, beginning of year	1,833,043	520,320
Cash and cash equivalents, end of year	\$ 3,689,366	\$ 1,833,043
Supplementary information		
Interest paid	\$ 250,615	\$ 210,030
Interest received	\$ 110,851	\$ 126,675

See accompanying Notes to Financial Statements.

**HUPACASATH FIRST NATION
NOTES TO FINANCIAL STATEMENTS
March 31, 2023**

1. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES

These financial statements are prepared in accordance with Canadian public sector accounting standards for governments as recommended by the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants.

(a) Fund accounting

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

(b) Reporting entity principles of financial reporting

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

The controlled business of the First Nation meeting the definition of a government business partnership or enterprise have been recorded by the First Nation using the modified equity method where applicable. Under the modified equity method of accounting, only the Nation's investment in the government business enterprise or government business partnership and their share of the entities net income and other changes in equity are recorded. No adjustments are made for accounting policies of the entities that are different from those of the Nation.

Government business partnerships and entities, which are partially or wholly-owned by the Nation, are included in the consolidated financial statements using the modified equity method are as follows:

- 1328914 Cardlock Limited Partnership
- Ahahswinis Green Investments Ltd.
- HFN Environmental Waste Disposal Services Limited Partnership
- Kleekhoot Gold Limited Partnership
- Tsuma-as Tseafoods Limited Partnership
- Upnit Power Limited Partnership

See Note 5 on Investment in First Nation business partnerships and enterprises.

The First Nation also prepares Financial Statements that consolidate the assets, liabilities and results of operations for the following entities which lend themselves to consolidation:

1. Operating Fund
2. Trust Fund
3. Social Housing Fund
4. Enterprise Fund
5. Treaty Fund

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

HUPACASATH FIRST NATION
NOTES TO FINANCIAL STATEMENTS
March 31, 2023

1. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES, continued

(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 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, inventories held for use and prepaid expenses.

(d) Net financial assets

The First Nation's consolidated financial statements have been presented to highlight net financial assets as the measurement of financial position. Net financial assets of the First Nation are reported as the difference between liabilities and financial assets. Net financial assets added with non-financial assets calculates the accumulated surplus as a second indicator of financial position.

(e) Cash and cash equivalents

Cash and cash equivalents include cash on hand and demand deposits.

(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. Cost includes overhead directly attributable to construction and development, as well as interest costs that are directly attributable to the acquisition or construction of the asset.

Amortization is provided for on a straight line basis over their estimated useful lives as follows:

Automotive equipment	5 years Straight line
Boats	8 years Straight line
Buildings	20 years Straight line
Computer equipment	3 years Straight line
Computer software	3 years Straight line
Equipment	5 years Straight line
Equipment (10 year)	10 years Straight line
Fencing	10 years Straight line
Infrastructure	20 years Straight line
Roads and Parking lots	20 years Straight line
Signage	3 years Straight line
Storage and sheds	5 years Straight line

Social Housing capital assets have been amortized in an amount equal to the principal reduction of the mortgage, as required for CMHC reporting purposes.

**HUPACASATH FIRST NATION
NOTES TO FINANCIAL STATEMENTS
March 31, 2023**

1. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES, continued

(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 an obligation that meets the definition of a liability.

Contributions are deferred when restrictions are placed on their use by the contributor and are recognized as revenue when used for the specific purpose.

The First Nation recognizes revenue of the Trust Funds at the time funds are contributed from the accounts held in Ottawa. Interest revenue is recognized when earned.

Deferred revenue includes funding that is received but restricted for a specific use and is not in the applicable statement of revenue, expenditures and surplus. Deferred revenue is recognized once the related expenses are incurred.

(h) Use of estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenue and expenses during the reporting period. Significant items subject to estimates include the valuation of accounts receivable, prepaid expenses, estimated useful life of tangible assets and accrued liabilities. Actual results could differ from those estimates.

(i) Comparative figures

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

HUPACASATH FIRST NATION
NOTES TO FINANCIAL STATEMENTS
March 31, 2023

2. RESTRICTED CASH

	2023	2022
In Trust for Membership	\$ 336,386	\$ 322,351
Term deposit	508,835	-
Ottawa Trust Funds	43,239	41,186
Social Housing reserve bank	58,845	42,039
Externally restricted cash	30,000	-
	<u>\$ 977,305</u>	<u>\$ 405,576</u>

In trust for membership funds are held in a GIC earning 3.05% of interest. This amount includes \$67,091 which is committed as security for the BMO loan to ensure that the First Nation has cash reserves to cover the monthly payments of the BMO loan for Upnit Power LP, if Upnit Power LP is unable to make its monthly loan payment to the First Nation.

The term deposit is funds held in a GIC earning 4.80% of interest.

Ottawa trust fund 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. The management of these funds is primarily governed by Sections 63 to 69 of the Indian Act.

Social Housing funds held in Replacement and Operating Reserves according to the terms of the agreements with CMHC under Section 95 of the National Housing Act of Canada are presented on the Statements of Funded Reserves with the Social Housing Fund financial information.

Under the terms of the agreements with CMHC these funds, along with accumulated interest, must be held in separate bank accounts and/or invested in accounts or instruments insured by the Canada Deposit Insurance Corporation or as otherwise may be mutually agreed to by the First Nation and CMHC. Withdrawals from the reserves are credited to interest first and then to principal.

The externally restricted cash is restricted by contributor for specific purpose spending.

HUPACASATH FIRST NATION
NOTES TO FINANCIAL STATEMENTS
March 31, 2023

3. DUE FROM/TO RELATED PARTIES

	2023	2022
1054423 Fisheries LP	\$ 149,854	\$ 106,980
Ahahswinis Green Investments Ltd	1,005,336	839,049
HFN Environmental Waste Disposal Services LP	197,172	135,021
Kleekhoot Gold LP	385,611	376,038
Tsuma-as Tseafoods LP	79,496	52,763
Upnit Power LP	84,390	56,733
1328914 Cardlock LP	147,174	500
	<u>\$ 2,049,033</u>	<u>\$ 1,567,084</u>

Advances due from/to related entities are unsecured and without interest or any fixed terms of repayment. Related party transactions are measured at the exchange amount and are not measurably different in value than what would have been otherwise charged if the parties were not related.

The above entities are related due to the Nation having control over them. Details of ownership are outlined in Note 5.

4. LOAN RECEIVABLE

	2023	2022
Upnit Power Limited Partnership, repayable at \$56,697 per month including interest at 4.00% per annum, guaranteed by a General Security Agreement, maturity date October, 2026.	<u>\$ 2,267,805</u>	<u>\$ 2,844,880</u>

Loans receivable are valued at the lower of cost and net realizable value. Valuation allowances are used to reflect the collectability and risk of loss of receivables. No valuation allowance was recorded during the year and interest earned is recorded as received.

HUPACASATH FIRST NATION
NOTES TO FINANCIAL STATEMENTS
March 31, 2023

5. INVESTMENT IN FIRST NATION BUSINESS PARTNERSHIPS & ENTERPRISES

	2023	2022
Ahahswinis Green Investments Ltd.	\$ (949,587)	\$ (624,668)
HFN Environmental Waste Disposal Services Limited Partnership	(167,696)	(130,584)
Kleekhoot Gold Limited Partnership	(289,497)	(285,961)
Tsuma-as Tseafoods Limited Partnership	735,496	514,128
Upnit Power Limited Partnership	2,522,509	2,451,018
1328914 Cardlock Limited Partnership	(11,539)	-
Total Investment in Business Partnerships & Enterprises	\$ 1,839,686	\$ 1,923,933

The First Nation owns 100% of the common shares of Ahahswinis Green Investments Ltd. Ahahswinis Green Investments Ltd. is a cannabis production and wholesale company.

The First Nation owns 99.99% of the outstanding units of HFN Environmental Waste Disposal Services Limited Partnership. HFN Environmental Waste Disposal Services LP operates a waste collection and disposal operation that services its membership and the general public.

The First Nation owns 99.99% of the outstanding units of Kleekhoot Gold Limited Partnership. Kleekhoot Gold LP operates a maple syrup production and bottling company that sells its products.

The First Nation owns 99.99% of the outstanding units of Tsuma-as Tseafoods Limited Partnership. Tsuma-as Tseafoods LP manages fishing operations for the First Nation.

The First Nation owns 72.5% of the outstanding units of Upnit Power Limited Partnership. Upnit Power Limited Partnership operates a micro hydro facility which began operations in December 2005.

The First Nation owns 99.99% of the outstanding units of 1328914 Cardlock Limited Partnership. 1328914 Cardlock LP operates a Cardlock for internal use and for use by the membership of the First Nation.

Events related to and transactions of the partnerships and enterprises during the intervening period between their last reporting date of December 31, 2022, and March 31, 2023 were estimated to not have a significant effect on the Nations results from operations or statement of financial position.

HUPACASATH FIRST NATION
NOTES TO FINANCIAL STATEMENTS
March 31, 2023

5. INVESTMENT IN FIRST NATION BUSINESS PARTNERSHIPS & ENTERPRISES, continued

Summary financial information for each First Nation business partnership, accounted for using the modified equity method, for their December 31, 2022 year ends is as follows:

	Ahahswinis Green Investments Ltd.	HFN Environmental Waste Disposal Services Limited Partnership	Kleekhoot Gold Limited Partnership	Tsuma-as Tseafoods Limited Partnership	Upnit Power Limited Partnership	1328914 Cardlock Limited Partnership	2022 Total
Cash	\$ 516	\$ 7,288	\$ 25,123	\$ 194,654	\$ 268,991	\$ 48,138	\$ 544,710
Accounts receivable	1,565	5,212	-	176,684	80,209	39,186	302,856
Prepaid expenses	5,000	-	-	-	30,613	-	35,613
Tangible capital assets	7,330	-	40,218	-	6,142,180	-	6,189,728
Due from related parties	-	7,497	8,101	9,764	3,775	1	29,138
Investments	-	-	-	703,814	-	-	703,814
Inventory	-	-	41,020	-	-	111,488	152,508
Total assets	\$ 14,411	\$ 19,997	\$ 114,462	\$ 1,084,916	\$ 6,525,768	\$ 198,813	\$ 7,958,367
Accounts payable	\$ 14,588	\$ 26,519	\$ 5,116	\$ 177,414	\$ 31,405	\$ 5,580	\$ 260,622
Current portion of callable debt	-	-	-	-	26,799	-	26,799
Current portion of long term debt	2,486	2,466	2,486	2,486	615,647	-	625,571
Deferred revenue	-	-	14,874	-	-	-	14,874
Due to related parties	971,000	158,723	381,518	-	33,556	204,772	1,749,569
Callable debt	-	-	-	-	482,831	-	482,831
Long term debt	-	-	-	169,417	2,183,785	-	2,353,202
Total liabilities	988,074	187,708	403,994	349,317	3,374,023	210,352	5,513,468
Equity	(973,663)	(167,711)	(289,532)	735,599	3,151,745	(11,539)	2,456,438
Total liabilities and equity	\$ 14,411	\$ 19,997	\$ 114,462	\$ 1,084,916	\$ 6,525,768	\$ 198,813	\$ 7,969,906

HUPACASATH FIRST NATION
NOTES TO FINANCIAL STATEMENTS
March 31, 2023

5. INVESTMENT IN FIRST NATION BUSINESS PARTNERSHIPS & ENTERPRISES, continued

	Ahahswinis Green Investments Ltd.	HFN Environmental Waste Disposal Services Limited Partnership	Kleekhoot Gold Limited Partnership	Tsuma-as Tseafoods Limited Partnership	Upnit Power Limited Partnership	1328914 Cardlock Limited Partnership	2022 Total
Revenue	\$ 14,238	\$ 110,519	\$ 20,410	\$ 529,227	\$ 1,497,263	\$ 225,372	\$ 2,397,029
Expenses	339,157	147,638	23,943	307,814	1,398,655	236,922	2,454,129
Net Income	\$ (324,919)	\$ (37,119)	\$ (3,533)	\$ 221,413	\$ 98,608	\$ (11,550)	\$ (57,100)

HUPACASATH FIRST NATION
NOTES TO FINANCIAL STATEMENTS
March 31, 2023

5. INVESTMENT IN FIRST NATION BUSINESS PARTNERSHIPS & ENTERPRISES, continued

Summary financial information for each First Nation business partnership, accounted for using the modified equity method, for their December 31, 2021 year ends is as follows:

	HFN						
	Ahahswinis Green Investments Ltd.	Environmental Waste Disposal Services Limited Partnership	Kleekhoot Gold Limited Partnership	Tsuma-as Tseafoods Limited Partnership	Upnit Power Limited Partnership	1328914 Cardlock Limited Partnership	2021 Total
Cash	\$ 26,489	\$ 18,244	\$ 38,267	\$ 117,257	\$ 226,950	\$ -	\$ 427,207
Accounts receivable	37,580	2,965	317	404,631	282,173	-	727,666
Prepaid expenses	13,064	-	-	-	23,063	-	36,127
Tangible capital assets	40,378	-	54,932	-	6,608,127	-	6,703,437
Due from related parties	-	5,990	6,981	8,193	2,228	-	23,392
Investments	-	-	-	520,971	-	-	520,971
Inventory	21,000	-	41,020	-	-	-	62,020
Biological assets	25,090	-	-	-	-	-	25,090
Total assets	\$ 163,601	\$ 27,199	\$ 141,517	\$ 1,051,052	\$ 7,142,541	\$ -	\$ 8,525,910
Accounts payable	\$ 41,460	\$ 6,047	\$ 9,568	\$ 311,645	\$ 43,873	\$ -	\$ 412,593
Current portion of callable debt	-	-	-	-	24,548	-	24,548
Current portion of long term debt	10,008	10,009	10,271	10,008	597,642	-	637,938
Deferred revenue	-	-	14,874	-	-	-	14,874
Due to related parties	720,077	125,013	376,080	198,489	3,705	-	1,423,364
Callable debt	-	-	-	-	529,084	-	529,084
Long term debt	16,724	16,722	16,723	16,724	2,890,552	-	2,957,445
Total liabilities	788,269	157,791	427,516	536,866	4,089,404	-	5,999,846
Equity	(624,668)	(130,592)	(285,999)	514,186	3,053,137	-	2,526,064
Total liabilities and equity	\$ 163,601	\$ 27,199	\$ 141,517	\$ 1,051,052	\$ 7,142,541	\$ -	\$ 8,525,910

HUPACASATH FIRST NATION
NOTES TO FINANCIAL STATEMENTS
March 31, 2023

5. INVESTMENT IN FIRST NATION BUSINESS PARTNERSHIPS & ENTERPRISES, continued

	HFN							
	Ahahswinis Green Investments Ltd.	Environmental Waste Disposal Services Limited Partnership	Kleekhoot Gold Limited Partnership	Tsuma-as Tseafoods Limited Partnership	Upnit Power Limited Partnership	1328914 Cardlock Limited Partnership	2021 Total	
Revenue	\$ 115,290	\$ 83,692	\$ 59,863	\$ 499,605	\$ 1,732,249	\$ -	\$ 2,490,699	
Expenses	689,092	108,608	88,118	265,313	1,450,051	-	2,601,182	
Net Income	\$ (573,802)	\$ (24,916)	\$ (28,255)	\$ 234,292	\$ 282,198	\$ -	\$ (110,483)	

HUPACASATH FIRST NATION
NOTES TO FINANCIAL STATEMENTS
March 31, 2023

5. INVESTMENT IN FIRST NATION BUSINESS PARTNERSHIPS & ENTERPRISES, continued

The 5 year loan principal repayment schedule for each entity is as follows:

	Ahahswinis Green Investments Ltd		HFN Environmental Waste Disposal Services Limited Partnership		Kleekhoot Gold Limited Partnership		Tsuma-as Tseafoods Limited Partnership		Upnit Power Limited Partnership	
2023	\$	2,486	\$	2,466	\$	2,486	\$	2,486	\$	615,647
2024		-		-		-		-		638,530
2025		-		-		-		-		664,957
2026		-		-		-		-		577,412
2027		-		-		-		-		302,886
Total	\$	2,486	\$	2,466	\$	2,486	\$	2,486	\$	2,799,432

HUPACASATH FIRST NATION
NOTES TO FINANCIAL STATEMENTS
March 31, 2023

6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2023	2022
Trade payables	\$ 413,116	\$ 406,975
Wages payable	21,320	16,299
Vacation and overtime payable	54,597	47,183
Government remittances	29,731	24,894
Interest on long term debt accrual	21,284	-
Pensions payable	4,730	6,330
	<u>\$ 544,778</u>	<u>\$ 501,681</u>

The First Nation provides a defined contribution plan for eligible members of its staff. Members are required to contribute 5% of their salary and the First Nation is required to match their contribution of 5%. The amount of the retirement benefit to be received by the employees will be the amount of the retirement annuity that could be purchased based on the member's share of the pension plan at the time of the member's withdrawal from the plan. The First Nation contributed during the year \$36,902 (2022-\$32,355) for retirement benefits. The First Nation does not have any other obligations with regards to the pension plan as at March 31, 2023.

7. DEFERRED REVENUE

	2023	2022
Province of BC - Stop Raw Salmon Exports Project Funding	\$ 800,000	\$ -
Province of BC - Island Rail Corridor Grant	600,000	-
First Nations Drinking Water Class Action Settlement	500,000	-
SPARC BC - Homelessness Community Action Project Grant	56,250	56,250
Province of BC - Community and Family Support Grant	30,000	-
United Way - Food Infrastructure Grant	20,000	-
Deposit on rental income	1,870	1,070
	<u>\$ 2,008,120</u>	<u>\$ 57,320</u>

8. RESERVES

	2023	2022
Social Housing replacement reserve	\$ 89,645	\$ 18,000
Social Housing operating reserve	(661)	4,859
	<u>\$ 88,984</u>	<u>\$ 22,859</u>

HUPACASATH FIRST NATION
NOTES TO FINANCIAL STATEMENTS
March 31, 2023

9. LONG-TERM DEBT

	2023	2022
Bank of Montreal, although due on demand, the bank is accepting \$8,384 per month including interest at prime (6.95%) + 0.5% per annum, matures 2026; secured by a general security agreement.	\$ 357,834	\$ 438,316
All Nations Trust Company, repayable at \$2,006 per month including interest at 1.86% per annum, guaranteed by Hupacasath First Nation and the Federal Government, renewal date is April 2024 (matures April 2026).	72,210	94,755
All Nations Trust Company, repayable at \$3,040 per month including interest at 3.70% per annum, guaranteed by Hupacasath First Nation and the Federal Government, renewal date is December 2022 (matures October 2032).	295,298	321,961
NEDC, repayable at \$2,808 per month including interest prime (6.95%) + 2% per annum, matures January 2026; secured by PPSA and a promissory note of the First Nation.	76,189	105,863
NEDC, repayable at \$10,144 including interest at prime (6.95%) + 2% per annum; guaranteed by a general security agreement, matures in April 2040.	1,372,302	1,428,455
BMO loan, repayable at \$54,853 per month including interest at 2.99% per annum, matures September 2026; secured by the Upnit Power LP assets (see Note 5 for carrying value) and a general security agreement.	2,161,954	2,746,486
All Nations Trust Company, repayable at \$3,536 per month including interest at 1.83% per annum, guaranteed by the Hupacasath First Nation and the Federal Government, renewal date is December 2024 (matures December 2044).	796,106	823,821
NEDC - repayable at \$2,909 per month including interest at 6% per annum, guaranteed by a general security agreement, matures in March 2026.	85,741	116,875
NEDC - Interest only payments for the 1st year at an interest rate of 5% per annum, guaranteed by a general security agreement. Monthly blended payments to commence October 2023 based on outstanding balance of the loan.	124,909	129,391
NEDC - repayable at \$946 per month including interest at 12% per annum, guaranteed by a general security agreement, matures in April 2028.	42,000	-
	\$ 5,384,543	\$ 6,205,923

HUPACASATH FIRST NATION
NOTES TO FINANCIAL STATEMENTS
March 31, 2023

9. LONG-TERM DEBT, continued

	2023	2022
Principal portion of long-term debt due within the next five years:		
2024	\$ 861,530	
2025	896,436	
2026	915,463	
2027	545,345	
2028 and thereafter	2,165,769	
	<hr/>	
	\$ 5,384,543	
	<hr/>	

HUPACASATH FIRST NATION
NOTES TO FINANCIAL STATEMENTS
March 31, 2023

10. TANGIBLE CAPITAL ASSETS

Tangible capital asset continuity schedule for 2023

	Cost			Accumulated amortization				
	Balance, beginning of year	Additions	Disposals	Balance, end of year	Balance, beginning of year	Amortization	Balance, end of year	2023 net book value
Automotive equipment	\$ 945,725	\$ 231,704	\$ (18,000)	\$ 1,159,429	\$ 759,377	\$ 62,160	\$ 821,537	\$ 337,892
Boats	318,539	29,348	-	347,887	261,284	27,585	288,869	59,018
Buildings	4,917,176	1,903	-	4,919,079	3,026,753	127,715	3,154,468	1,764,611
Cardlock	308,890	-	-	308,890	7,722	15,445	23,167	285,723
Computer equipment	246,333	33,878	-	280,211	201,720	27,323	229,043	51,168
Computer software	79,855	-	-	79,855	60,516	12,894	73,410	6,445
Equipment	686,557	27,987	-	714,544	632,927	31,497	664,424	50,120
Equipment (10 year)	343,902	14,800	-	358,702	282,348	22,461	304,809	53,893
Fencing	46,897	24,927	-	71,824	30,225	5,037	35,262	36,562
Infrastructure	1,685,271	-	-	1,685,271	1,243,113	41,405	1,284,518	400,753
Land	316,875	-	-	316,875	-	-	-	316,875
Nets	5,248	6,130	-	11,378	4,373	2,771	7,144	4,234
Roads and Parking Lots	237,444	7,110	-	244,554	111,690	12,050	123,740	120,814
Signage	3,100	-	-	3,100	3,100	-	3,100	-
Social Housing	2,367,718	-	-	2,367,718	681,316	80,273	761,589	1,606,129
	<u>\$ 12,509,530</u>	<u>\$ 377,787</u>	<u>\$ (18,000)</u>	<u>\$ 12,869,317</u>	<u>\$ 7,306,464</u>	<u>\$ 468,616</u>	<u>\$ 7,775,080</u>	<u>\$ 5,094,237</u>

HUPACASATH FIRST NATION
NOTES TO FINANCIAL STATEMENTS
March 31, 2023

TANGIBLE CAPITAL ASSETS, continued

Tangible capital asset continuity schedule for 2022

	Cost			Accumulated amortization				2022 Net book value
	Balance, beginning of year	Additions	Disposals	Balance, end of year	Balance, beginning of year	Amortization	Balance, end of year	
Automotive equipment	\$ 818,077	\$ 127,648	\$ -	\$ 945,725	\$ 725,000	\$ 34,377	\$ 759,377	\$ 186,348
Boats	318,539	-	-	318,539	235,533	25,751	261,284	57,255
Buildings	4,815,535	101,641	-	4,917,176	2,804,872	221,881	3,026,753	1,890,423
Cardlock	254,207	54,683	-	308,890	-	7,722	7,722	301,168
Computer equipment	201,288	45,045	-	246,333	183,809	17,911	201,720	44,613
Computer software	79,855	-	-	79,855	47,622	12,894	60,516	19,339
Equipment	674,510	12,047	-	686,557	580,400	52,527	632,927	53,630
Equipment (10 year)	343,902	-	-	343,902	255,131	27,217	282,348	61,554
Fencing	46,897	-	-	46,897	26,434	3,791	30,225	16,672
Infrastructure	1,630,058	55,213	-	1,685,271	1,201,708	41,405	1,243,113	442,158
Land	316,875	-	-	316,875	-	-	-	316,875
Nets	5,248	-	-	5,248	2,624	1,749	4,373	875
Roads and Parking Lots	237,444	-	-	237,444	99,818	11,872	111,690	125,754
Signage	3,100	-	-	3,100	3,100	-	3,100	-
Social Housing	2,367,718	-	-	2,367,718	601,511	79,805	681,316	1,686,402
	<u>\$ 12,113,253</u>	<u>\$ 396,277</u>	<u>\$ -</u>	<u>\$ 12,509,530</u>	<u>\$ 6,767,562</u>	<u>\$ 538,902</u>	<u>\$ 7,306,464</u>	<u>\$ 5,203,066</u>

HUPACASATH FIRST NATION
NOTES TO FINANCIAL STATEMENTS
March 31, 2023

11. ACCUMULATED SURPLUS

	2023	2022
Accumulated surplus at end of year	\$ 7,804,180	\$ 5,619,795
Contributed equity	2,045,000	2,045,000
	<u>\$ 9,849,180</u>	<u>\$ 7,664,795</u>

The First Nation has committed the cumulative surplus of the following programs for the future expenditures in only those specific programs.

	2023	2022
Community and Human Services	\$ 1,302,054	\$ 1,039,349
Capital - Residential	287,051	225,387
Capital - Non-residential	718,348	682,619
Natural Resources	843,153	490,564
	<u>\$ 3,150,606</u>	<u>\$ 2,437,919</u>

These balances are included in the accumulated surplus at end of year line of the table above and are not supported by separate assets.

12. BUDGETED FIGURES

Budgets were not prepared for all segments and all departments in 2023. As such, the budget figures in the Consolidated Statement of Operations are not presented for the same scope of the activities as the actual results.

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

HUPACASATH FIRST NATION
NOTES TO FINANCIAL STATEMENTS
March 31, 2023

13. EXPENSES BY OBJECT

The following is a summary of expenses by object.

	2023 Budget	2023 Actual	2022 Actual
Advertising	\$ 16,000	\$ 45,629	\$ 13,322
Amortization	-	468,612	538,902
Bank charges and service fees	9,775	8,015	9,224
Basic needs and other social development costs	302,550	348,071	310,086
COVID-19 support	34,800	39,050	54,752
Cardlock expenses	-	-	9,680
Community planning costs	-	2,393	-
Community support programs	55,000	86,642	53,488
Consultant fees	73,000	25,076	35,650
Contracts	100,800	612,121	399,638
Creel survey costs	35,000	41,657	35,465
Election costs	500	4,670	526
Fire protection	18,500	39,880	2,313
Fuel	7,050	22,309	16,859
Honorariums	88,750	86,080	82,220
Insurance	97,300	145,264	93,708
Interest on long-term debt	80,500	240,855	200,808
Licences, dues and fees	10,000	33,643	9,643
Materials and supplies	23,500	37,524	136,764
Meetings	6,000	12,267	6,639
Membership distribution	119,450	99,300	98,700
Moorage	-	2,350	-
National Child Tax Benefit	308,750	27,600	38,977
Office and other	66,450	79,411	68,126
Operating reserve transfers	-	(5,818)	(17,983)
Patient transportation	23,008	22,951	16,042
Production costs - logging	1,048,756	1,351,595	1,116,837
Professional fees	72,582	93,038	139,389
Rental property costs	2,575	3,370	3,222
Repairs and maintenance	49,750	281,755	114,629
Replacement reserve transfers	-	86,600	17,560
Security	1,500	13,627	2,572
Special needs	20,100	72,603	44,076
Student allowances	15,500	15,949	13,777
Telecommunications	27,400	33,690	28,241
Training	7,875	15,794	8,968
Travel	8,650	24,234	7,401
Utilities	89,800	130,436	122,723
Wages and benefits	1,299,439	1,509,056	1,316,114
	\$ 4,120,610	\$ 6,157,299	\$ 5,149,058

**HUPACASATH FIRST NATION
NOTES TO FINANCIAL STATEMENTS
March 31, 2023**

14. SEGMENTED INFORMATION

The First 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:

Operating

Includes general operations, support and financial management of the First Nation. Additionally, it includes activities related to education, health and community infrastructure.

Trust

Includes activities related to funds held in trust and a specific claim trust.

Social Housing

Includes revenue and expenses relating to the social housing of the members of the Hupacasath First Nation.

Enterprise

Includes activities related to the growth of revenue producing projects with the First Nation such as the First Nation business partnerships outlined in note 5.

Treaty

Includes activities related to the treaty negotiation with the Federal Government.

Segmented information is a summary of the activities of each of the segments. The revenues and expenditures include amounts eliminated on consolidation and capital asset purchases.

HUPACASATH FIRST NATION
NOTES TO FINANCIAL STATEMENTS
March 31, 2023

14. SEGMENTED INFORMATION, continued

	Operating Fund				Trust Fund				Social Housing Fund		
	2023 Budget	2023 Actual	2022 Actual		2023 Budget	2023 Actual	2022 Actual		2023 Budget	2023 Actual	2022 Actual
Revenues											
Nuu-chah-nulth Tribal Council	\$ 1,512,229	\$ 2,015,291	\$ 2,233,297	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Department of Fisheries and Oceans	260,304	569,681	554,758	-	-	-	-	-	-	-	-
Province of BC	246,089	762,184	296,339	-	-	-	-	-	-	-	-
Interest income	89,992	199,288	131,931	-	1,285	1,523	-	-	2,100	226	-
Canada Mortgage and Housing Corporation	-	-	8,320	-	-	-	-	-	138,431	68,252	-
Rental income	29,500	38,157	19,100	-	-	-	-	-	97,370	98,118	-
Other revenue	1,087,354	1,375,072	1,289,705	-	768	769	-	-	3,351	3,351	-
Total revenue	3,225,468	4,959,673	4,533,450	-	2,053	2,292	-	-	241,252	169,947	-
Expenses											
Wages and benefits	1,213,574	1,413,172	1,246,370	-	-	-	-	-	-	-	-
Contracts	95,800	383,108	385,608	-	-	-	-	-	-	-	-
Amortization	-	269,178	340,285	-	-	-	-	-	80,274	79,805	-
Repairs and maintenance	48,550	264,046	91,153	-	-	-	-	-	5,645	21,874	-
Other expenses	1,721,820	1,949,433	1,688,601	-	-	-	-	-	155,333	68,268	-
Total expenses	3,079,744	4,278,937	3,752,017	-	-	-	-	-	241,252	169,947	-
Annual surplus (deficit)	\$ 145,724	\$ 680,736	\$ 781,433	\$ -	\$ 2,053	\$ 2,292	\$ -	\$ -	\$ -	\$ -	\$ -

HUPACASATH FIRST NATION
NOTES TO FINANCIAL STATEMENTS
March 31, 2023

14. SEGMENTED INFORMATION, continued

	Enterprise Fund			Treaty Fund		
	2023 Budget	2023 Actual	2022 Actual	2023 Budget	2023 Actual	2022 Actual
Revenues						
Logging revenue	\$ 1,383,625	\$ 3,353,922	\$ 2,431,617	\$ -	\$ -	\$ -
Province of BC	235,000	192,753	234,892	-	-	-
Nuu-chah-nulth Tribal Council	-	183,080	-	25,782	25,782	25,315
Rental income	-	20,603	22,476	-	-	-
Net losses - Business Partnerships	-	(84,224)	(188,106)	-	-	-
Other revenue	-	48,254	100,537	-	-	-
Total revenue	1,618,625	3,714,388	2,601,416	25,782	25,782	25,315
Expenses						
Wages and benefits	85,865	95,884	69,744	-	-	-
Production costs - logging	1,048,756	1,351,595	1,116,837	-	-	-
Other expenses	610,739	1,117,141	523,468	25,782	3,988	5,960
Total expenses	1,745,360	2,564,620	1,710,049	25,782	3,988	5,960
Annual surplus (deficit)	\$ (126,735)	\$ 1,149,768	\$ 891,367	\$ -	\$ 21,794	\$ 19,355

**HUPACASATH FIRST NATION
NOTES TO FINANCIAL STATEMENTS
March 31, 2023**

15. PRIOR PERIOD ADJUSTMENT

A prior period adjustment was made to correct accounts payable. The effect of the correction was a decrease in accounts payable of \$38,098, a decrease in subcontractor expense of \$38,098 and an increase in accumulated surplus of \$38,098. A second prior period adjustment was made to correct Ahahswinis Green Investments Ltd. share of income. The effect of the correction was a decrease in loss of \$25,090, an increase of \$25,090 in the investment in Ahahswinis Green Investments Ltd., and an increase in accumulated surplus of \$25,090. A third prior period adjustment was made to correct tangible capital assets. The effect of this change is a decrease in tangible capital assets of \$1,745, an increase in repairs and maintenance of \$1,952, a decrease in amortization expense of \$207 and a decrease in accumulated surplus of \$1,745. The net impact to accumulated surplus is an increase of \$61,443.

The comparative figures have been restated to reflect these changes.

16. ECONOMIC DEPENDENCE

Hupacasath First Nation receives a significant portion of its revenue from Indigenous Services Canada ("ISC") via Nuu-chah-nulth Tribal Council ("NTC") as a result of funding agreements entered into with the Government of Canada. These funding agreements are administered by ISC under the terms and conditions of the *Indian Act*. The ability of the First Nation to continue operations is dependent upon the Government of Canada's continued financial commitments as guaranteed by these agreements.

17. CONTINGENT LIABILITY

The First Nation is contingently liable for guarantees of mortgages of members' residences situated on reserve. The total amount of such mortgages as at March 31, 2023 is \$211,188 (2022 - \$220,553).

18. FINANCIAL INSTRUMENTS

The financial instruments of the First Nation consist of cash, accounts receivable, accounts payable and accruals, wages payable and 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.

HUPACASATH FIRST NATION
SUMMARY SCHEDULE OF REVENUE, EXPENDITURES AND EQUITY BY PROGRAM
For the year ended March 31, 2023
(Unaudited)

	NTC Funds	Other Revenue	Total Revenue	Total Expenditures	Surplus (Deficit)	Opening Accumulated Surplus (Deficit)	Transfers	Capital purchases	Closing Accumulated Surplus (Deficit)
Operating Fund									
Administration	\$ 576,911	\$ 1,310,659	\$ 1,887,570	\$ 1,457,194	\$ 430,376	\$ 1,137,237	\$ (440,638)	\$ 100,118	\$ 1,227,093
Capital - Residential	149,018	120,000	269,018	207,354	61,664	225,387	-	-	287,051
Capital - Non-residential	80,622	-	80,622	44,893	35,729	682,619	(9,013)	9,013	718,348
Community & Human Services	583,051	82,502	665,553	367,036	298,517	1,039,349	(43,972)	8,160	1,302,054
Community Garden	-	2,000	2,000	131,684	(129,684)	-	39,296	3,804	(86,584)
Community Maintenance	157,130	8,630	165,760	329,715	(163,955)	-	127,179	55,341	18,565
Economic Development	-	45,843	45,843	71,188	(25,345)	(245,913)	17,037	12,963	(241,258)
Education	21,776	99,000	120,776	43,680	77,096	82,525	10,692	-	170,313
Employment & Training	-	11,164	11,164	-	11,164	114,533	-	-	125,697
Fisheries	3,552	569,681	573,233	507,714	65,519	274,100	(39,487)	39,487	339,619
Natural Resources	-	664,902	664,902	312,313	352,589	490,564	(101,144)	101,144	843,153
Social Development	443,232	30,000	473,232	536,988	(63,756)	(159,622)	110,020	-	(113,358)
Provision for Capital Assets	-	-	-	269,178	(269,178)	1,082,504	330,030	-	1,143,355
	2,015,292	2,944,381	4,959,673	4,278,937	680,736	4,723,283	-	330,030	5,734,048
Trust Fund									
Trust Fund	-	2,053	2,053	-	2,053	41,940	-	-	43,993
Social Housing Fund									
Social Housing - Projects	-	241,252	241,252	241,252	-	-	-	-	-
Enterprise Fund									
Enterprise Fund	183,080	3,531,308	3,714,388	2,564,620	1,149,768	639,106	-	-	1,788,874

See accompanying Notes to Financial Statements.