

**Gitga'at First Nation
Consolidated Financial Statements**

March 31, 2022

Gitga'at First Nation Contents

For the year ended March 31, 2022

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Management's Responsibility

To the Members of Gitga'at First Nation:

The accompanying consolidated financial statements of Gitga'at First Nation (the "First Nation") are the responsibility of management and have been approved by the Chief and Council.

Management is responsible for the preparation and presentation of the accompanying consolidated financial statements, including responsibility for significant accounting judgments and estimates in accordance with Canadian public sector accounting standards. This responsibility includes selecting appropriate accounting principles and methods, and making decisions affecting the measurement of transactions in which objective judgment is required.

In discharging its responsibilities for the integrity and fairness of the consolidated financial statements, management designs and maintains the necessary accounting systems and related internal controls to provide reasonable assurance that transactions are authorized, assets are safeguarded and financial records are properly maintained to provide reliable information for the preparation of consolidated financial statements.

The Gitga'at First Nation Chief and Council is responsible for overseeing management in the performance of its financial reporting responsibilities, and for approving the consolidated financial statements. The Chief and Council fulfills these responsibilities by reviewing the financial information prepared by management and discussing relevant matters with management and external auditors. The Chief and Council is also responsible for recommending the appointment of the First Nation's external auditors.

MNP LLP is appointed by the Chief and Council on behalf of the Members to audit the consolidated financial statements and report directly to them; their report follows. The external auditors have full and free access to, and meet periodically and separately with, both the Chief and Council and management to discuss their audit findings.

July 21, 2022



Band Administrator

To the Members of Gitga'at First Nation:

We have audited the consolidated financial statements of Gitga'at First Nation and its subsidiaries (the "First Nation"), which comprise the consolidated statement of financial position as at March 31, 2022, 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 First Nation as at March 31, 2022, and the results of its consolidated operations, changes in its net financial assets and its consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards.

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 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 opinion.

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

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

In preparing the consolidated financial statements, management is responsible for assessing the 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 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 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 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 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the First Nation to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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.

Kelowna, British Columbia

July 21, 2022

MNP LLP

Chartered Professional Accountants

MNP

Gitga'at First Nation
Consolidated Statement of Financial Position
As at March 31, 2022

	2022	2021 (Restated - Note 17)
Financial assets		
Cash (Note 3)	13,577,518	5,209,252
Accounts receivable (Note 4)	4,579,933	4,037,414
Marketable securities (Note 5)	9,400,136	12,244,541
Advances with Nation business entities (Note 6)	445,979	894,359
Investments in Nation business entities (Note 7)	2,249,340	909,291
Funds held in Ottawa trust (Note 8)	192,213	186,883
Total financial assets	30,445,119	23,481,740
Financial Liabilities		
Accounts payable and accruals (Note 9)	2,307,977	1,735,699
Deferred revenue (Note 10)	445,928	282,833
Total financial liabilities	2,753,905	2,018,532
Net financial assets	27,691,214	21,463,208
Contingent liabilities (Note 12)		
Non-financial assets		
Tangible capital assets (Schedule 1)	28,399,455	25,658,970
Fishing licences	2,770,000	2,750,000
Prepaid expenses	261,073	513,315
Total non-financial assets	31,430,528	28,922,285
Accumulated surplus (Note 13)	59,121,742	50,385,493

Approved on behalf of Chief and Council

Adriel
Linen Reed

Chief
Councillor

Tom Chi
Lynn Hill

Councillor
Councillor

Gitga'at First Nation
Consolidated Statement of Operations and Accumulated Surplus
For the year ended March 31, 2022

	<i>Schedules</i>	2022 Budget (Note 14)	2022	2021 (Restated - Note 17)
Revenue				
Indigenous Services Canada		3,456,808	6,188,966	4,595,411
First Nations Health Authority		1,247,651	1,606,398	1,475,062
Province of British Columbia		160,000	1,482,132	1,194,954
Department of Fisheries and Oceans		366,000	454,492	565,837
Additional government funding		-	-	22,023
Canada Mortgage and Housing Corporation		-	-	109,050
Other revenue		3,601,330	9,255,411	7,500,889
Earnings (loss) from investment in Nation business entities (Note 7)		-	1,384,684	(106,360)
Own source revenue		41,671	1,039,466	260,384
Rental income		-	274,453	108,834
Interest and investment income		26	122,812	192,840
Administration fees		-	10,801	25,838
Tribal Resources Investment Corporation		-	-	11,195
Gain on sale of capital assets		-	-	9,855
		8,873,486	21,819,615	15,965,812
Program expenses				
Administration	3	1,089,169	853,623	856,750
Community Health	4	1,086,235	1,548,629	1,077,753
Special Projects	5	-	1,732,397	1,966,440
Development Corporation & Other	6	557,250	1,439,407	772,882
Economic Development & Gitga'at Clean Energy	7	64,891	705,968	496,402
Education	8	1,344,189	1,570,752	1,663,429
Fisheries, Guardian Watchman & Lands and Marine	9	2,836,060	2,232,950	1,965,488
Own Source Revenue & Forest and Range	10	-	708,353	986,954
Social Assistance	11	349,043	289,510	311,787
Village Operations & Capital Projects	12	873,486	2,001,777	1,906,110
		8,200,323	13,083,366	12,003,995
Annual surplus		673,163	8,736,249	3,961,817
Accumulated surplus, beginning of year		50,385,493	50,385,493	46,423,676
Accumulated surplus, end of year		51,058,656	59,121,742	50,385,493

Gitga'at First Nation
Consolidated Statement of Changes in Net Financial Assets
For the year ended March 31, 2022

	2022 Budget (Note 14)	2022	2021
Annual surplus	673,163	8,736,249	3,961,817
Purchases of tangible capital assets	-	(4,349,242)	(3,696,743)
Amortization of tangible capital assets	-	1,608,757	1,566,303
Gain on sale of capital assets	-	-	(9,855)
Purchases of fishing licenses	-	(20,000)	(2,750,000)
Proceeds of disposal of tangible capital assets	-	-	12,000
Writedown of tangible capital assets	-	-	204,459
	-	(2,760,485)	(4,673,836)
Acquisition of prepaid expenses	-	(336,031)	(513,315)
Use of prepaid expenses	-	588,273	212,283
	-	252,242	(301,032)
Increase (decrease) in net financial assets	673,163	6,228,006	(1,013,051)
Net financial assets, beginning of year	21,463,208	21,463,208	22,476,259
Net financial assets, end of year	22,136,371	27,691,214	21,463,208

Gitga'at First Nation
Consolidated Statement of Cash Flows
For the year ended March 31, 2022

2022 **2021**
(Restated -
Note 17)

Cash provided by (used for) the following activities

Operating activities

Annual surplus	8,736,249	3,961,817
Non-cash items		
Amortization	1,608,757	1,566,303
Gain on disposal of tangible capital assets	-	(9,855)
Loss (earnings) from investment in Nation business entities	(1,384,684)	106,360
Writedown of tangible capital assets	-	204,459
	8,960,322	5,829,084
Changes in working capital accounts		
Accounts receivable	(542,519)	(328,541)
Prepaid expenses	252,242	(301,032)
Accounts payable and accruals	572,278	782,706
Deferred revenue	163,095	(129,690)
	9,405,418	5,852,527

Financing activities

Repayment of capital lease obligation	-	(23,243)
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Capital activities

Purchases of tangible capital assets	(4,349,242)	(3,696,743)
Purchase of fishing licenses	(20,000)	(2,750,000)
Proceeds of disposal of tangible capital assets	-	12,000
	(4,369,242)	(6,434,743)

Investing activities

Purchase of marketable securities	(537,701)	(8,862,354)
Disposal of marketable securities	3,382,106	8,717,562
Contributions to Nation business entities, net	(1,000)	(110,950)
Withdrawals from Nation business entities, net	45,635	-
Increase in funds held in trust	(5,330)	(3,881)
Advances to related Nation business entities, net	448,380	(139,441)
	3,332,090	(399,064)

Increase (decrease) in cash resources

Cash resources, beginning of year	8,368,266	(1,004,523)
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Cash resources, end of year	5,209,252	6,213,775
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Cash resources, end of year	13,577,518	5,209,252
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Gitga'at First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2022

1. Operations

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

Impact on operations of COVID-19 (coronavirus)

In early March 2020 the impact of the global outbreak of COVID-19 (coronavirus) began to have a significant impact on businesses and organizations through the restrictions put in place by the Canadian, provincial and municipal governments regarding travel, business operations and isolation/quarantine orders.

The First Nation's operations were impacted by COVID-19 in a variety of different ways including increased funding from government sources such as Indigenous Services Canada (ISC) and First Nations Health Authority (FNHA), additional social assistance provided to its members as a flow-through of a portion of this funding, additional cleaning and supply costs, additional Health costs in relation to expenses paid for the detection and screening of COVID-19, and cancellation of in-person events for its members.

At this time, it is unknown the full extent of the impact the COVID-19 outbreak may have on the First Nation as this will depend on future developments that are highly uncertain and that cannot be predicted with confidence. These uncertainties arise from the inability to predict the ultimate geographic spread of the disease, and the duration of the outbreak, including the duration of travel restrictions, business closures or disruptions, and quarantine/isolation measures that are currently, or may be put, in place by Canada and other countries to fight the virus.

2. Significant accounting policies

These consolidated financial statements are the representations of management, prepared in accordance with Canadian public sector accounting standards as set out in the CPA Canada Handbook - Public Sector Accounting as issued by the Public Sector Accounting Standards Board of Canada and including the following significant accounting policies:

Basis of presentation

Sources of revenue and expenses are recorded on the accrual basis of accounting. The accrual basis of accounting recognizes revenue as it becomes available and measurable; expenses are recognized as they are incurred and measurable as a result of the receipt of goods or services and the creation of a legal obligation to pay.

Reporting entity

The financial statements consolidate the financial activities of all entities and departments comprising the First Nation reporting entity, except for First Nation government business entities. Trusts administered on behalf of third parties by Gitga'at First Nation are excluded from the First Nation reporting entity.

The First Nation has consolidated the assets, liabilities, revenue and expenses of the following entities:

- Gitga'at Development Corporation
- Gitga'at Land Holdings Ltd.
- Gitga'at Forestry Inc.

The First Nation has proportionately consolidated the assets, liabilities, revenue and expenses of the following entity:

- Ocean Destiny Joint Venture - 50%

All inter-entity balances have been eliminated on consolidation.

Nation business entities which are controlled and self-sustaining are reported 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 First Nation. Thus, the First 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:

Gitga'at First Nation
Notes to the Consolidated Consolidated Financial Statements
For the year ended March 31, 2022

2.. Significant accounting policies *(Continued from previous page)*

Reporting entity *(Continued from previous page)*

- Gitga'at Economic Limited Partnership

Long term investments in entities on which the First Nation does not hold significant influence are recorded at cost. If there has been permanent decline in the value, the investment is written down to its net realizable value.

Net financial assets

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

Cash and cash equivalents

Cash and cash equivalent include balances with banks, short-term investments with maturities of three months or less and restricted cash. Restricted cash includes cash which is restricted by an agreement with a third party.

Marketable securities

Investments such as marketable securities and term deposits with an original maturity date of more than three months after year-end are reported as marketable securities. Marketable securities are reported using the cost method. Provisions for declines in the market value of investments are recorded when they are considered to be other than temporary.

Funds held in Ottawa Trust Fund

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

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

Tangible capital assets

Tangible capital assets are initially recorded at cost based on historical cost accounting records. Contributed tangible assets are recorded at their fair value at the date of contribution.

All intangibles, excluding purchased intangibles, and items inherited by the First Nation, such as reserve lands, forests, water and mineral resources, are not recognized in the First Nation's consolidated financial statements.

Amortization

Tangible capital assets are amortized annually using the following methods at rates intended to amortize the cost of the assets over their estimated useful lives:

	Rate
Infrastructure	4-5 %
Equipment	20 %
Boats	15 %
Vehicles	30 %

Purchased intangible assets

Purchased intangible assets are initially recorded at cost, which approximates fair value on initial recognition.

Purchased intangible assets includes fishing licenses with indefinite lives.

Gitga'at First Nation
Notes to the Consolidated Consolidated Financial Statements
For the year ended March 31, 2022

2.. Significant accounting policies *(Continued from previous page)*

Defined contribution pension plan

The First Nation has a defined contribution pension plan under which the First Nation pays fixed contributions into a separate entity (a fund) and will have no legal or constructive obligation to pay further amounts. The contributions payable to the defined contribution plan are recognized as a liability and an expense during the periods which employees render service. Prepaid contributions are recognized as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

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 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, 2022.

At each financial reporting date, the First Nation reviews the carrying amount of the liability. Any revisions required to the amount previously recognized is 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.

As at March 31, 2022, management has determined no liability is required to be recorded.

Measurement uncertainty

The preparation of consolidated financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure 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.

Accounts receivable are stated after evaluation as to their collectability and an appropriate allowance for doubtful accounts is provided where considered necessary.

Amortization is based on the estimated useful lives of tangible capital assets.

Legal provisions are recorded when the likelihood of loss and amount of settlement can be determined.

Liabilities for contaminated sites are based on the best information available regarding potentially contaminated sites that Gitga'at First Nation is responsible for.

These estimates are reviewed periodically and, as adjustments become necessary, they are reported in operations in the periods in which they become known.

Revenue recognition

Government Transfers

The First 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.

Externally restricted revenue

The First Nation recognizes externally restricted inflows as revenue in the period the resources are used for the purpose specified in accordance with an agreement or legislation. Until this time, the First Nation records externally restricted inflows in deferred revenue.

Funds held in Ottawa Trust Fund

Revenue related to the receipt of funds held in the Ottawa Trust Fund is recognized when it is earned.

Gitga'at First Nation
Notes to the Consolidated Consolidated Financial Statements
For the year ended March 31, 2022

2.. Significant accounting policies *(Continued from previous page)*

Revenue recognition *(Continued from previous page)*

Other

Investment income is recognized in the period earned.

Rental and other revenue is recognized when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

3. Cash

The First Nation has available a \$350,000 line of credit (2021 - \$350,000) which bears interest at prime plus 2% per annum and is secured by certain term deposits. At March 31, 2022, there is no balance outstanding on the line of credit (2021 - no balance outstanding).

Cash includes restricted cash of \$1,485,381 (2021 - \$1,121,513) which is restricted by the Limited Partnership agreement between the First Nation and BC First Nations Gaming Revenue Sharing Limited Partnership, and can only be used for certain operating and capital expenditures or permitted investments.

4. Accounts receivable

	2022	2021
Indigenous Services Canada	-	229,211
Other government receivables	1,957,052	2,455,258
Members	129,568	107,367
Trade and other receivables	2,511,733	1,237,520
Interest receivable	83,301	83,301
	<hr/>	<hr/>
Less: Allowance for doubtful accounts	4,681,654	4,112,657
	101,721	75,243
	<hr/>	<hr/>
	4,579,933	4,037,414

5. Marketable securities

Marketable securities are held in GIC's at Northern Savings Credit Union, bearing interest between 0.25% and 2.45% (2021 - 0.35% and 2.45%) with maturity dates ranging between May 2022 and October 2024.

6. Advances with Nation business entities

Advances to related Nation business entities are summarized as follows:

	2022	2021
		(Restated - Note 17)
Gitga'at Economic Limited Partnership	284,544	601,255
North Co-Corp Ferry Services Ltd.	129,925	200,000
North Coast-Skeena First Nations Stewardship Society	31,510	93,104
	<hr/>	<hr/>
	445,979	894,359

These balances are non-interest bearing, unsecured, and have no specific terms of repayment.

Gitga'at First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2022

7. Investments in Nation business entities

The First Nation has investments in the following business entities:

	<i>Investment balance, beginning of year</i>	<i>Contributions</i>	<i>Withdrawals</i>	<i>Share of earnings</i>	<i>Investment balance, end of year</i>	2022
First Nation business partnerships						
Gitga'at Economic Limited Partnership - 100%	786,773	-	(45,635)	1,379,812	2,120,950	
Portfolio Investments, at cost:						
North Co-Corp Ferry Services Ltd. - 33%	30,002	-	-	-	30,002	
North Coast Skeena First Nation Stewardship Society - 17.93%	1	-	-	-	1	
Great Bear Carbon Credit Limited Partnership - 6%	92,405	-	-	4,872	97,277	
BC First Nation Gaming Revenue Sharing Limited Partnership	100	-	-	-	100	
BCFN GRS GP Inc.	10	-	-	-	10	
Coastal Nations Fisheries LP - 7%	-	1,000	-	-	1,000	
	122,518	1,000	-	4,872	128,390	
	909,291	1,000	(45,635)	1,384,684	2,249,340	
						2021
	<i>Investment balance, beginning of year (Restated - Note 17)</i>	<i>Contributions</i>	<i>Withdrawals</i>	<i>Share of earnings (loss) (Restated - Note 17)</i>	<i>Investment balance, end of year (Restated - Note 17)</i>	
First Nation business partnerships						
Gitga'at Economic Limited Partnership - 100%	813,498	110,950	-	(137,675)	786,773	
Portfolio investments, at cost:						
North Co-Corp Ferry Services Ltd. - 33%	30,002	-	-	-	30,002	
North Coast Skeena First Nation Stewardship Society - 17.93%	1	-	-	-	1	
Great Bear Carbon Credit Limited Partnership - 6%	61,090	-	-	31,315	92,405	
BC First Nation Gaming Revenue Sharing Limited Partnership	100	-	-	-	100	
BCFN GRS GP Inc.	10	-	-	-	10	
	91,203	-	-	31,315	122,518	
	904,701	110,950	-	(106,360)	909,291	

Continued on next page

Gitga'at First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2022

7. Investments in Nation business entities *(Continued from previous page)*

Summary financial information for each First Nation business enterprise, accounted for using the modified equity method, for the respective year-end is as follows:

	<i>Gitga'at Economic Limited Partnership As at December 31, 2021</i>
Assets	
Cash	932
Term deposits	15,292
Accounts receivable	10,480
Investments	1,470,780
Property, plant and equipment	1,432,632
Total assets	2,930,116
Liabilities	
Accounts payable and accruals	17,923
Security deposits	5,471
Current portion of deferred revenue	17,754
Deferred capital contribution	426,086
Payable to related parties	455,578
Total liabilities	922,812
Net assets	2,007,304
Total revenue	1,577,837
Total expenses	198,025
Net income	1,379,812

The First Nation's investee has a different year-end than March 31, 2022. The First Nation uses the investee's year-end financial statements to account for its investment in this investee.

8. Funds held in Ottawa trust

Capital and revenue trust monies are transferred to the First Nation on the authorization of the First Nation's Council, with the consent of the Minister of Indigenous Services Canada.

	2022	2021
Capital Trust		
Balance, beginning and end of year	80,180	80,180
Revenue Trust		
Balance, beginning of year	106,703	102,822
Interest	3,611	2,147
BC Special distribution	1,719	1,734
Balance, end of year	112,033	106,703
	192,213	186,883

Gitga'at First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2022

8. Funds held in Ottawa trust (Continued from previous page)

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*.

9. Accounts payable and accruals

	2022	2021 (Restated - Note 17)
Indigenous Services Canada	28,514	100,000
Accrued salaries and employee benefits payable	346,247	142,663
Other accrued liabilities	74,008	78,158
Trade accounts payable	<u>1,859,208</u>	<u>1,414,878</u>
	2,307,977	1,735,699

10. Deferred revenue

The First Nation's deferred revenue is as follows:

	<i>2021 Deferred Revenue</i>	<i>Current Year Funding Received</i>	<i>Current Year Revenue Recognized</i>	<i>2022 Deferred Revenue</i>
Indigenous Services Canada	-	217,342	134,758	82,584
Other government	31,838	30,000	31,838	30,000
Other funding sources	<u>250,995</u>	<u>333,344</u>	<u>250,995</u>	<u>333,344</u>
	282,833	580,686	417,591	445,928

11. Defined contribution pension plan

During the year, the First Nation contributed \$77,890 (2021 - \$59,292) to the defined contribution pension plan.

12. Contingent liabilities

The First Nation has guaranteed CMHC RRAP loans on behalf of band members that are forgivable on the condition that the First Nation continues to own the unit and it is occupied by band members with a total household income at or below the income threshold during the earning period of the loans. If the First Nation sells, transfers or ceases to operate the property before the maturity date, the unearned forgivable loan plus interest will immediately become due and payable. Balance of the loans at March 31, 2022 is \$73,801 (2021 - \$117,166). No amount has been recorded by the First Nation.

Gitga'at First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2022

13. Accumulated surplus

Accumulated surplus consists of the following:

	2022	2021 (Restated - Note 17)
Restricted cash	1,485,381	1,121,513
Investment in Nation business entities	2,249,340	909,291
Trust funds held by federal government	192,213	186,883
Investment in tangible capital assets	28,399,455	25,658,970
Fishing licenses	<u>2,770,000</u>	2,750,000
Unexpended funding available for operations	<u>35,096,389</u>	30,626,657
	<u>24,025,353</u>	19,758,836
	59,121,742	50,385,493

14. Budget information

The disclosed budget information was approved by the Chief and Council of the Gitga'at First Nation. Certain segments do not have budgets prepared.

15. Economic dependence

Gitga'at First Nation receives a significant portion of its revenue from Indigenous Services Canada (ISC) 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 funding agreements.

16. Segments

The First Nation receives revenue and incurs expenses for many different projects and sources. For management and reporting purposes, the revenue, expenses and annual surplus or deficits are organized by segments. Schedules 3 to 12 disclose the details of the First Nation's revenue and expenses by segment. The First Nation is organized into the following segments:

Administration

The segment provides band support, governance and administrative services for the operations of the First Nation including various financial functions such as payroll, accounts receivable and accounts payable.

Community Health

This segment is responsible for the operation of health facilities and the delivery of programs to support child development and community health.

Special Projects

This segment is responsible for providing assistance to the First Nation's members when looking for employment and delivering training programs for skill development. The First Nation is engaging in a number of agreements for capacity development.

Development Corporation & Other

The Gitga'at Development Corporation is responsible for generating economic activity through the development of partnerships, business ventures and joint ventures.

Gitga'at First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2022

16. Segments *(Continued from previous page)*

Economic Development & Gitga'at Clean Energy

This segment implements community economic development planning and capacity building initiatives that will benefit the First Nation by enhancing employment and income generating activities.

Education

This segment is responsible for managing and delivering kindergarten to grade 12 education programs and services as well as the management of post-secondary student funding and support programs.

Fisheries, Guardian Watchman & Lands and Marine

This segment is responsible for maintaining the First Nation's fishing licences, delivery of land and ocean programs and research and risk assessments relating to climate change. There is also a focus on the conservation and preservation of the First Nation's traditional territory.

Own Source Revenue & Forest and Range

This segment is responsible for collecting own source revenue generated by the First Nation as well as Forest and Range income. Forest and Range income is used for activities that benefit the First Nation such as housing projects, economic development and activities for the elders.

Social Assistance

This segment administers benefits and services to individuals and families living on reserve who are in need of support. Department services include income assistance, home to work transition assistance, assisted living, family violence prevention and awareness and the national child benefit reinvestment.

Village Operations & Capital Projects

This segment maintains village infrastructure and implements capital projects undertaken by the First Nation. Infrastructure includes buildings, the subdivision, electrical and sanitation systems.

17. Correction of an error

During the year, the First Nation determined that the operations of Gitga'at Forestry Inc. should have been consolidated in the prior year but were inappropriately accounted for using the modified equity basis. The impact of the correction of this error resulted in the following adjustments as at March 31, 2021:

Increase in financial assets	\$6,770
Increase in financial liabilities	\$6,770
Increase in revenue	\$16,751
Increase in expenses	\$16,751

Gitga'at First Nation
Schedule 1 - Consolidated Schedule of Tangible Capital Assets
For the year ended March 31, 2022

	<i>Infrastructure</i>	<i>Equipment</i>	<i>Boats</i>	<i>Vehicles</i>	<i>Assets under construction</i>	<i>2022</i>	<i>2021</i>
Cost							
Balance, beginning of year	32,222,825	5,003,457	3,724,853	392,756	2,972,037	44,315,928	40,838,367
Acquisition of tangible capital assets	42,913	481,424	-	26,582	3,798,323	4,349,242	3,696,743
Transfer of completed assets under construction	1,052,611	-	-	-	(1,052,611)	-	-
Disposal of tangible capital assets	-	-	-	-	-	-	(14,723)
Write down of tangible capital assets	-	-	-	-	-	-	(204,459)
Balance, end of year	33,318,349	5,484,881	3,724,853	419,338	5,717,749	48,665,170	44,315,928
Accumulated amortization							
Balance, beginning of year	14,063,387	3,178,991	1,150,352	264,228	-	18,656,958	17,103,233
Annual amortization	738,072	442,624	386,177	41,884	-	1,608,757	1,566,303
Accumulated amortization on disposals	-	-	-	-	-	-	(12,578)
Balance, end of year	14,801,459	3,621,615	1,536,529	306,112	-	20,265,715	18,656,958
Net book value of tangible capital assets	18,516,890	1,863,266	2,188,324	113,226	5,717,749	28,399,455	25,658,970
2021 Net book value of tangible capital assets	18,159,438	1,824,466	2,574,501	128,528	2,972,037	25,658,970	

Gitga'at First Nation
Schedule 2 - Schedule of Consolidated Expenses by Object
For the year ended March 31, 2022

	2022 <i>Budget</i> <i>(Note 14)</i>	2022	2021 <i>(Restated -</i> <i>Note 17)</i>
Consolidated expenses by object			
Advertising and donations	-	603,030	1,020,710
Amortization	-	1,608,757	1,566,303
Awards	-	60,000	60,000
Bad debts	14,643	45,394	20,737
Bank charges and interest	25,926	4,559	3,315
Consulting and contracts	2,438,491	3,526,924	2,897,847
Employee benefits	345,275	394,497	322,864
Equipment and facility rental	225,842	6,180	4,810
Honoraria	305,585	193,625	197,350
Income assistance	-	22,590	16,062
Insurance	144,916	245,254	219,317
Office, program supplies and miscellaneous	720,699	1,453,669	1,266,874
Professional fees	82,642	329,701	165,418
Rent and occupancy costs	67,633	15,373	7,100
Repairs and maintenance	483,162	264,186	220,763
Salaries and wages	2,153,545	2,893,458	2,601,253
Social assistance	-	-	29,850
Student and school allowance	210,226	256,567	298,068
Telephone	78,456	96,705	80,604
Training	130,395	35,617	51,644
Travel	474,059	597,207	323,355
Tuition	106,977	89,055	100,781
Utilities, fuel and other	191,851	341,018	324,511
Writedown of tangible capital assets	-	-	204,459
	8,200,323	13,083,366	12,003,995

Gitga'at First Nation
Administration
Schedule 3 - Schedule of Revenue and Expenses
For the year ended March 31, 2022

	2022 Budget (Note 14)	2022	2021
Revenue			
Indigenous Services Canada	315,799	315,799	311,575
Province of British Columbia	-	30,000	-
Interest and investment income	26	108,941	171,180
Other revenue	63,859	15,353	7,731
Administration fees	-	10,801	25,838
Rental income	-	-	150
Closing deferred revenue	-	(30,000)	-
	379,684	450,894	516,474
Expenses			
Advertising and donations	-	2,643	2,200
Amortization	-	132,078	129,396
Bad debts (recovery)	14,643	(6,087)	10,339
Bank charges and interest	25,341	3,526	1,886
Consulting and contracts	145,277	136,069	162,460
Employee benefits	47,301	53,253	36,064
Equipment and facility rental	5,859	-	10
Honoraria (recovery)	152,035	(150)	-
Insurance	10,925	21,720	17,416
Office, program supplies and miscellaneous	83,859	86,481	142,690
Professional fees	68,135	68,611	64,899
Rent and occupancy costs	-	40	-
Salaries and wages	331,501	335,368	293,882
Telephone (recovery)	61,265	7,675	(12,299)
Training	-	-	4,250
Travel	76,582	38,589	24,348
Tuition	-	-	100
Utilities, fuel and other (recovery)	66,446	(26,193)	(20,891)
	1,089,169	853,623	856,750
Deficit before transfers	(709,485)	(402,729)	(340,276)
Transfers between programs	-	(326,527)	(126,634)
Annual deficit	(709,485)	(729,256)	(466,910)

Gitga'at First Nation
Community Health
Schedule 4 - Schedule of Revenue and Expenses
For the year ended March 31, 2022

	2022 Budget (Note 14)	2022	2021
Revenue			
First Nations Health Authority	1,247,651	1,491,630	1,470,062
Province of British Columbia	-	30,000	30,000
Other revenue	-	25,499	1,500
	1,247,651	1,547,129	1,501,562
Expenses			
Amortization	-	154,058	145,296
Bank charges and interest	585	522	339
Consulting and contracts	191,600	374,038	235,278
Employee benefits	33,650	39,382	34,479
Equipment and facility rental	-	5,300	4,800
Insurance	18,170	17,975	15,978
Office, program supplies and miscellaneous	254,630	288,052	170,487
Rent and occupancy costs (recovery)	4,800	(4,800)	(4,800)
Repairs and maintenance	14,500	20,400	12,000
Salaries and wages	246,500	292,473	265,283
Telephone	16,400	10,234	9,658
Training	-	190	-
Travel	289,900	327,758	163,427
Tuition	-	1,106	-
Utilities, fuel and other	15,500	21,941	25,528
	1,086,235	1,548,629	1,077,753
Surplus (deficit) before transfers	161,416	(1,500)	423,809
Transfers between programs	-	8,589	(33,576)
Annual surplus	161,416	7,089	390,233

Gitga'at First Nation
Special Projects
Schedule 5 - Schedule of Revenue and Expenses
For the year ended March 31, 2022

	2022 <i>Budget</i> <i>(Note 14)</i>	2022	2021
Revenue			
Indigenous Services Canada	-	732,471	435,629
Province of British Columbia	-	679,353	672,732
Department of Fisheries and Oceans	-	52,000	52,000
Other revenue	-	1,688,659	2,498,496
Opening deferred revenue	-	166,916	281,171
Interest and investment income	-	5,330	3,882
Closing deferred revenue	-	(167,754)	(166,916)
		3,156,975	3,776,994
Expenses			
Advertising and donations	-	-	143,000
Amortization	-	8,792	6,360
Awards	-	60,000	60,000
Bad debts	-	32,565	-
Bank charges and interest	-	-	1
Consulting and contracts	-	421,497	568,588
Employee benefits	-	76,225	81,736
Equipment and facility rental	-	1,430	-
Honoraria	-	-	7,551
Income assistance	-	6,900	-
Office, program supplies and miscellaneous	-	261,773	255,509
Professional fees	-	48,930	26,203
Rent and occupancy costs	-	7,050	-
Salaries and wages	-	644,731	645,038
Student and school allowance	-	46,567	50,068
Telephone	-	27,423	41,511
Training	-	25,307	38,675
Travel	-	41,625	38,594
Tuition	-	21,014	2,101
Utilities, fuel and other	-	568	1,505
		1,732,397	1,966,440
Surplus before transfers	-	1,424,578	1,810,554
Transfers between programs	-	179,759	320,901
Annual surplus	-	1,604,337	2,131,455

Gitga'at First Nation
Development Corporation & Other
Schedule 6 - Schedule of Revenue and Expenses
For the year ended March 31, 2022

	2022 Budget (Note 14)	2022	2021 (Restated - Note 17)
Revenue			
Indigenous Services Canada	-	304,576	123,042
Earnings (loss) from investment in Nation business entities	-	1,384,684	(106,360)
Own source revenue	-	960,466	86,400
Other revenue	609,975	677,151	571,814
Interest and investment income	-	3	-
Recovery	-	(21,074)	-
	609,975	3,305,806	674,896
Expenses			
Advertising and donations	-	29,913	15
Amortization	-	7,103	2,423
Bad debts	-	18,916	10,398
Bank charges and interest	-	492	527
Consulting and contracts	174,000	460,828	277,931
Employee benefits	-	62,876	34,217
Honoraria	88,750	129,994	127,006
Insurance	-	2,351	3,523
Office, program supplies and miscellaneous	7,000	110,912	11,216
Professional fees	10,000	162,484	57,879
Rent and occupancy costs	14,400	12,703	11,900
Repairs and maintenance	-	5,895	-
Salaries and wages	243,000	335,682	193,532
Telephone	-	20,093	12,716
Training	2,500	4,995	6,720
Travel	17,600	74,170	22,879
	557,250	1,439,407	772,882
Surplus (deficit) before transfers	52,725	1,866,399	(97,986)
Transfers between programs	-	123,371	148,580
Annual surplus	52,725	1,989,770	50,594

Gitga'at First Nation
Economic Development & Gitga'at Clean Energy
Schedule 7 - Schedule of Revenue and Expenses

For the year ended March 31, 2022

	2022 Budget (Note 14)	2022	2021
Revenue			
Indigenous Services Canada	72,101	72,101	71,137
Province of British Columbia	-	200	250
Other revenue	-	385,748	794,142
Rental income	-	160,600	22,250
Recovery	-	(7,440)	-
	72,101	611,209	887,779
Expenses			
Consulting and contracts	17,069	227,782	110,202
Employee benefits	1,692	23,763	17,934
Insurance	-	21,632	19,726
Office, program supplies and miscellaneous	4,977	55,028	13,205
Professional fees	4,507	2,637	2,684
Repairs and maintenance	9,012	87,378	98,514
Salaries and wages	25,827	214,992	190,235
Telephone	-	2,400	1,200
Travel	1,016	6,897	378
Utilities, fuel and other	791	63,459	42,324
	64,891	705,968	496,402
Surplus (deficit) before transfers	7,210	(94,759)	391,377
Transfers between programs	-	(33,664)	128,912
Annual surplus (deficit)	7,210	(128,423)	520,289

Gitga'at First Nation
Education
Schedule 8 - Schedule of Revenue and Expenses
For the year ended March 31, 2022

	2022 Budget (Note 14)	2022	2021
Revenue			
Indigenous Services Canada	1,493,543	1,548,340	1,520,291
Other revenue	-	-	2,500
FNESC	-	-	4,909
Tribal Resources Investment Corporation	-	-	11,195
	1,493,543	1,548,340	1,538,895
Expenses			
Amortization	-	381,515	366,256
Consulting and contracts	782,389	767,667	730,097
Employee benefits	3,271	4,515	4,800
Insurance	30,409	42,615	37,769
Office, program supplies and miscellaneous	66,663	22,850	83,655
Salaries and wages	64,318	39,250	55,217
Student and school allowance	210,226	210,000	248,000
Telephone	791	323	265
Training	-	-	2,000
Travel	8,193	19,436	16,528
Tuition	106,977	66,935	98,579
Utilities, fuel and other	70,952	15,646	20,263
	1,344,189	1,570,752	1,663,429
Deficit before transfers	149,354	(22,412)	(124,534)
Transfers between programs	-	(204,267)	(113,455)
Annual surplus (deficit)	149,354	(226,679)	(237,989)

Gitga'at First Nation
Fisheries, Guardian Watchman & Lands and Marine
Schedule 9 - Schedule of Revenue and Expenses

For the year ended March 31, 2022

	2022 Budget (Note 14)	2022	2021
Revenue			
Department of Fisheries and Oceans	366,000	402,492	513,837
Province of British Columbia	160,000	389,600	401,085
Indigenous Services Canada	217,000	217,342	-
Other revenue	2,969,167	2,553,096	1,673,907
Opening deferred revenue	-	81,916	122,430
Own source revenue	-	79,000	173,984
Lease and licence income	-	18,794	18,412
Rental income	-	4,007	4,750
Closing deferred revenue	-	(165,338)	(81,916)
	3,712,167	3,580,909	2,826,489
Expenses			
Advertising and donations	-	575	1,044
Amortization	-	519,176	562,741
Bank charges and interest	-	3	22
Consulting and contracts	853,400	456,832	176,410
Employee benefits	205,632	80,537	68,318
Equipment and facility rental	189,000	3,450	3,000
Honoraria	64,800	63,781	62,918
Insurance	30,000	32,404	30,780
Office, program supplies and miscellaneous	115,200	103,821	168,186
Professional fees	-	47,039	13,752
Repairs and maintenance	348,000	98,780	98,717
Salaries and wages	932,528	640,762	609,494
Telephone	-	19,855	19,134
Travel	73,500	45,706	41,665
Utilities, fuel and other	24,000	120,229	109,307
	2,836,060	2,232,950	1,965,488
Surplus before transfers	876,107	1,347,959	861,001
Transfers between programs	-	(109,392)	(336,000)
Annual surplus	876,107	1,238,567	525,001

Gitga'at First Nation
Own Source Revenue & Forest and Range
Schedule 10 - Schedule of Revenue and Expenses
For the year ended March 31, 2022

	2022 <i>Budget</i> <i>(Note 14)</i>	2022	2021
Revenue			
Additional government funding	-	-	22,023
Province of British Columbia	-	-	10,000
Other revenue	-	1,296,349	1,580,918
Lease and licence income	-	209,575	99,847
Rental income	-	98,496	77,684
Interest and investment income	-	8,538	17,778
	-	1,612,958	1,808,250
Expenses			
Advertising and donations	-	569,899	874,451
Bank charges and interest	-	16	18
Consulting and contracts	-	22,867	10,159
Employee benefits	-	60	502
Equipment and facility rental (recovery)	-	(3,500)	(3,000)
Honoraria (recovery)	-	-	(125)
Insurance	-	1,819	1,614
Office, program supplies and miscellaneous	-	57,070	89,383
Rent and occupancy costs (recovery)	-	(4,420)	(4,800)
Repairs and maintenance	-	48,963	-
Salaries and wages	-	-	3,641
Telephone	-	564	282
Travel	-	1,584	222
Utilities, fuel and other	-	13,431	14,607
	-	708,353	986,954
Surplus before transfers	-	904,605	821,296
Transfers between programs	-	630,057	(179,987)
Annual surplus	-	1,534,662	641,309

Gitga'at First Nation
Social Assistance
Schedule 11 - Schedule of Revenue and Expenses
For the year ended March 31, 2022

	2022 Budget (Note 14)	2022	2021
Revenue			
Indigenous Services Canada	387,825	393,985	386,149
Other revenue	-	39,224	22,817
	387,825	433,209	408,966
Expenses			
Amortization	-	49,887	47,372
Consulting and contracts	37,124	2,700	18,959
Employee benefits	14,981	16,243	12,829
Income assistance	-	15,690	16,062
Office, program supplies and miscellaneous	62,362	56,029	53,000
Rent and occupancy costs	13,515	4,800	4,800
Salaries and wages	201,059	106,692	123,671
Social assistance	-	-	29,850
Telephone	-	600	600
Training	17,895	5,125	-
Travel	-	4,846	120
Utilities, fuel and other	2,107	26,898	4,524
	349,043	289,510	311,787
Surplus before transfers	38,782	143,699	97,179
Transfers between programs	-	(154,187)	(431,164)
Annual surplus (deficit)	38,782	(10,488)	(333,985)

Gitga'at First Nation
Village Operations & Capital Projects
Schedule 12 - Schedule of Revenue and Expenses
For the year ended March 31, 2022

	2022 Budget (Note 14)	2022	2021
Revenue			
Indigenous Services Canada	970,540	2,604,352	1,747,588
Province of British Columbia	-	352,979	80,887
First Nations Health Authority	-	114,768	5,000
Canada Mortgage and Housing Corporation	-	-	109,050
Other revenue	-	2,462,900	100,966
Opening deferred revenue	-	31,838	-
Rental income	-	11,350	4,000
Gain on sale of capital assets	-	-	9,855
Closing deferred revenue	-	(6,000)	(31,838)
	970,540	5,572,187	2,025,508
Expenses			
Amortization	-	356,148	306,460
Bank charges and interest	-	-	522
Consulting and contracts	237,632	656,644	607,763
Employee benefits	38,748	37,643	31,986
Equipment and facility rental (recovery)	23,657	(500)	-
Insurance	55,412	104,738	92,511
Office, program supplies and miscellaneous	181,898	411,653	279,542
Repairs and maintenance	98,004	2,770	11,532
Salaries and wages	218,812	283,508	221,261
Telephone	-	7,538	7,537
Travel	7,268	36,596	15,194
Utilities, fuel and other	12,055	105,039	127,343
Writedown of tangible capital assets	-	-	204,459
	873,486	2,001,777	1,906,110
Surplus before transfers	97,054	3,570,410	119,398
Transfers between programs	-	(113,738)	622,421
Annual surplus	97,054	3,456,672	741,819