

Haisla Nation Council
Consolidated Financial Statements
For the year ended March 31, 2019

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Management's Responsibility for Financial Reporting

The accompanying financial statements of the Haisla Nation Council are the responsibility of management and have been approved by the Chief and another Band Councilor of the Band Council.

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

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

The Haisla Nation Council is responsible for ensuring that management fulfills its responsibilities for financial reporting and is ultimately responsible for reviewing and approving the consolidated financial statements. Council carries out this responsibility principally through its Executive committee.

The Chief and Council review the Band's consolidated financial statements and recommend their approval. The Chief and Council meet periodically with management, as well as the external auditors, to discuss internal controls over the financial reporting issues, to satisfy themselves that each party is properly discharging their responsibilities, and to review the annual report, the consolidated financial statements and the external auditors' report. The Chief and Council takes this information into consideration when approving the financial statements for issuance to the Members. The Chief and Council also appoint the engagement of the external auditors.

The consolidated financial statements have been audited by BDO Canada LLP in accordance with Canadian generally accepted auditing standards on behalf of the members. BDO Canada LLP has full access to the Band Council.



Deputy Chief Councilor



Councilor



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Independent Auditor's Report

To the Members of
Haisla Nation Council

Qualified Opinion

We have audited the consolidated financial statements of Haisla Nation Council (the Group), which comprise the consolidated statement of financial position as at March 31, 2019, and the consolidated statements of change in net financial assets, operations and cashflows 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 matters described in the Basis for Qualified Opinion paragraph, the consolidated financial statements present fairly, in all material respects, the financial position of Haisla Nation Council as at March 31, 2019 and the results of its operations, change in net assets and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Qualified Opinion

As noted in the Summary of 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 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 as at March 31, 2019 and 2018, the related amortization expense and annual surplus for the year ended March 31, 2019 and 2018 and equity in tangible capital assets as at April 1 and March 31 for both the 2019 and 2018 years.

We are unable to satisfy ourselves regarding the appropriate treatment on the Haisla Nation Council's Investments in Nation business entities due to inability to obtain audited financial statements of each business entity. We are unable to determine whether adjustments to the investment in business entities are appropriate as at March 31, 2019 and 2018, revenue and annual surplus (deficit) for the year ended March 31, 2019 and 2018, and accumulated surplus as at April 1 and March 31 for both the 2019 and 2018 years.

Our audit opinion on the financial statements for the year ended March 31, 2018 was modified for the above matters.

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 Group 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.

Other Matters

We have not audited, reviewed or otherwise attempted to verify the accuracy of completeness of the schedules or exhibits on pages 39 through 134 of the Band's financial statements. Our report is intended solely for management of Haisla Nation Council and various funding agencies. As a result, the financial statements should not be distributed to or used by other parties.

Haisla Nation Council has also prepared another set of consolidated financial statements for the year ended March 31, 2019 in accordance with Canadian public sector accounting standards. However, these consolidated financial statements do not include unaudited supplementary exhibits and schedules, and have more aggregated disclosures in the consolidated financial statements. Our audit report on the other set of consolidated financial statements was issued to the members of Haisla Nation Council and was dated October 7, 2019.

Emphasis of Matter - Restated Comparative Information

We draw attention to Note 17 to the financial statements, which explains that certain comparative information presented for the year ended March 31, 2018 has been restated. Our opinion is not modified in respect of this matter.

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

Management is responsible for the preparation and fair presentation of these 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 Group'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 Band or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group'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 Groups'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 Group'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 Band 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group 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.


Chartered Professional Accountants

Kamloops, British Columbia
October 7, 2019

Haisla Nation Council

Exhibit A - Consolidated Statement of Financial Position

As at March 31	2019	2018
		(Restated)
Financial Assets		
Cash (Note 1)	\$ 3,399,279	\$ 10,592,762
Restricted cash (Note 2)	1,293,917	666,996
Accounts receivable (Note 3)	2,748,661	2,819,897
Investments (Note 5)	184,869,413	139,102,037
Investment in Nation business entities (Note 11)	15,765,753	15,342,552
	<u>208,077,023</u>	<u>168,524,244</u>
Liabilities		
Accounts payable (Note 6)	6,386,529	4,896,529
Deferred revenue (Note 7)	2,262,625	2,936,318
Long term debt (Note 8)	1,776,826	1,874,964
Due to related party (Note 19)	6,317,820	(464,465)
	<u>16,743,800</u>	<u>9,243,346</u>
Net Assets	<u>191,333,223</u>	<u>159,280,898</u>
Non-financial Assets		
Prepaid expense (Note 20)	11,481,886	488,405
Inventory held for resale	302,206	14,206
Tangible capital assets (Note 9)	30,072,206	23,559,510
	<u>41,856,298</u>	<u>24,062,121</u>
Accumulated Surplus (Note 10)	<u>\$233,189,521</u>	<u>\$183,343,019</u>

Approved on behalf of the Band Council:




Deputy Chief Councilor

Councilor

Haisla Nation Council

Exhibit B - Consolidated Statement of Change in Net Assets

For the year ended March 31	2019	2018
		(Restated)
Surplus - Exhibit C	\$ 50,347,850	\$ 7,199,651
Purchases of tangible capital assets	(8,260,815)	(712,761)
Amortization of tangible capital assets	1,460,119	1,265,161
Disposal of tangible capital assets	288,000	-
	<u>(6,512,696)</u>	<u>552,400</u>
Change in prepaid expense	(10,993,480)	117,465
Change in inventory	(288,000)	4,251
Change in Ottawa Trust Funds	(15,934)	2,408
Change in restricted equity	(464,412)	515,022
Change in replacement reserve	(21,003)	42,605
Equity change from prior period adjustments (Note 17)	-	(871,895)
	<u>(11,782,829)</u>	<u>(190,144)</u>
Increase in net assets	32,052,325	7,561,907
Net assets, beginning of year	159,280,898	151,718,991
Net assets, end of year	\$191,333,223	\$159,280,898

Haisla Nation Council			
Exhibit C - Consolidated Statement of Operations			
For the year ended March 31	Budget	2019	2018
			(Restated)
Revenue			
Indigenous Services Canada	\$ -	\$ 11,388,603	\$ 6,006,298
First Nations Health Authority	-	3,096,861	2,278,038
Fisheries and Oceans Canada	-	197,632	191,425
Province of British Columbia	-	1,610,301	1,516,077
Rio Tinto Alcan	-	539,131	397,095
Social Housing rental income	-	174,238	166,118
Canada Mortgage and Housing Corporation	-	145,007	553,824
Canada Post	-	19,940	19,940
Funds from Ottawa Trust - lease agreement	-	18,614,273	18,690,527
Rental income	-	93,885	83,161
First Nations Education Steering Committee	-	316,802	202,076
Interest and investment income	-	5,695,780	9,258,243
Investment income from business entities	-	836,459	1,475,430
Fees and other income	-	43,385,682	5,310,400
Property taxes	-	3,019,444	(6,108,160)
	-	89,134,038	40,040,492
Expenses			
Haisla Forest/Range Agreement	-	1,862	-
Environment	-	317,815	425,583
Administration - ISC	-	3,071,747	2,197,254
Administration	-	1,513,459	1,046,472
Property Taxes	-	1,027	-
Social Assistance	-	785,998	879,553
Community Facilities and Services	-	2,930,469	2,726,179
Language and Culture	-	203	18,548
Education	-	3,550,047	3,147,396
Family Violence	-	7,239	7,044
Haisla Elementary	-	1,343,328	1,178,933
Economic Development	-	2,175,844	4,885,543
Haisla Gas Station	-	553,828	405,950
Community Health Services	-	2,515,645	2,104,476
Band Housing	-	208,218	225,398
Fisheries	-	657,682	121,875
Child Care	-	303,241	269,725
Department of Fisheries and Oceans	-	155,314	275,290
Land Use Administration	-	757,271	823,643
Land Management Code	-	172,179	246,676
Elder's Programs	-	201,103	206,203
Emergency Planning & Training	-	20,845	-
LNG Canada Capacity	-	1,578,805	2,207,238
HN DL 99	-	381,762	128,642
LNG Job Training	-	385,231	964,719
Kitselas Strategic Partnership	-	-	858
Fish Habitat Restoration Agreement	-	130,521	238,472
Life Skills Youth Transition	-	41,312	6,814
Coast Climate Change	-	39,617	-
Driving Initiative	-	290,576	35,059
Active Measures	-	224,871	143,771
LNGC Delay Funds	-	427,722	722,672
Enrich Low Income	-	19,767	25,767
Nutrition Low Income	-	40,599	58,144
Cultural Enrichment	-	1,940	5,277
Education Minor	-	176,822	-
Joint Venture Agreements	-	11,782,115	4,209,859
Capital Fund repairs and maintenance	-	584,842	525,133
Social Housing Fund	-	330,044	680,209
Haisla Investments	-	614,852	542,568
Haisla Capacity Development Society	-	848	530
Haisla Trust Society	-	86,299	129,250
Haisla Business Operations	-	1,109	531
Subtotal expenses	\$ -	\$ 38,384,018	\$ 31,817,254

The accompanying summary of significant accounting policies and notes are an integral part of these consolidated financial statements.

Haisla Nation Council
Exhibit C - Consolidated Statement of Operations - continued

For the year ended March 31	Budget	2019	2018
			(Restated)
Revenue carried forward	\$ -	\$ 89,134,038	\$ 40,040,492
Expenses carried forward	\$ -	\$ 38,384,018	\$ 31,817,254
Haisla Project GP Inc.	-	(34,943)	47,114
HN Gas Export Corp	-	1,740	1,575
Haisla (BC) Development	-	379,024	491,334
Cedar LNG Export Dev. Ltd.	-	12,438	289,132
Haisla (HL) Developments Ltd.	-	34,385	43,358
Cedar 1 LNG Export Ltd.	-	3,289	105,349
Cedar 2 LNG Export Ltd.	-	1,945	20,881
Cedar 3 LNG Export Ltd.	-	1,839	1,541
HN Gas Management Inc.	-	1,711	1,077
HN LNG LP	-	742	22,226
	-	38,786,188	32,840,841
Surplus for the year (Note 20)	\$ -	\$ 50,347,850	\$ 7,199,651

Haisla Nation Council

Exhibit D - Consolidated Statement of Cash Flows

For the year ended March 31	2019	2018
		(Restated)
Operating activities		
Cash receipts from various sources	\$ 84,124,863	\$ 43,470,608
Cash receipts from (paid to) taxation	3,019,444	(6,108,160)
Cash paid to employees and suppliers	(49,986,087)	(26,697,495)
Interest received	3,672,751	7,683,819
Cash flows from operating activities	40,830,971	18,348,772
Capital activity		
Purchase of capital assets	(7,972,815)	(712,761)
Investing activities		
Increase (decrease) in equity in Ottawa Trust	(15,935)	2,407
Change in investment in business entities	4,657,436	(1,747,071)
Direct investment in equity of subsidiary	-	- of
Purchase of investments	(43,837,407)	(9,604,623)
Cash flows from investing activities	(47,168,721)	(12,062,048)
Financing activity		
Repayment of long term debt	(228,812)	(231,018)
Net increase (decrease) in cash and cash equivalents	(6,566,562)	6,055,706
Cash and cash equivalents, beginning of year	11,259,758	5,204,052
Cash and cash equivalents, end of year	\$ 4,693,196	\$ 11,259,758
Represented by:		
Cash	\$ 3,415,384	\$ 10,592,762
Restricted cash	1,277,812	666,996
	\$ 4,693,196	\$ 11,259,758

Haisla Nation Council

Summary of Significant Accounting Policies

March 31, 2019

Basis of Accounting

These consolidated financial statements have been prepared in accordance with Canadian public sector accounting standards for government entities, as defined in the CPA Public Sector Accounting and Auditing Handbook, which encompasses the following.

Reporting Entity and Principles

The Haisla Nation Council reporting entity includes the Haisla Nation Council government and all related entities which are accountable to the Haisla Nation Council and are either owned or controlled by the Haisla Nation Council.

All controlled entities are consolidated in the Haisla Nation Council's financial statements according to the Haisla Nation Council's percentage ownership except for entities that meet the definition of a government business enterprise or a government business partnership, which are included in the financial statements on a modified equity basis. Accounting policies of consolidated and proportionately consolidated entities are conformed to those of the Haisla Nation Council and inter-organizational balances and transactiond are eliminated upon consolidation.

The financial statements consolidate the assets, liabilities and results of operations for the following entities:

- Haisla Nation Council, and the following entities: Haisla Capacity Development Society, Haisla Trust Society, Haisla (HL) Developments Ltd., Haisla Projects GP Inc., HN Gas Export Corp., Haisla (BC) Developments Ltd., Cedar 3 LNG Export, Cedar 2 LNG Export, Cedar 1 LNG Export, HN Gas Management Inc., 078498 BC Ltd. and Cedar LNG Export Development Ltd. and HN LNG LP.

Incorporated business entities and government partnerships, which are owned or controlled by the Haisla Nation Council and which are not dependent on the band for their continuing operations, are included in the summary financial statements using the modified equity method. Refer to note 11.

Cash and Cash Equivalents

Cash and cash equivalents consist of cash on hand, bank balances and bank overdrafts with maturities of three months or less.

Haisla Nation Council

Summary of Significant Accounting Policies

March 31, 2019

Use of Estimates

The preparation of financial statements in accordance with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from management's best estimates as additional information becomes available in the future. Significant estimates included in these consolidated financial statements include the valuation of accounts receivable, accuracy of accounts payable and accrued liabilities, and calculation of deferred revenue.

Temporary Investments

Temporary investments are recorded at cost, unless the market value of temporary investments has declined below cost, in which case they are written down to market value.

Tangible Capital Assets

Tangible capital assets are recorded at cost less accumulated amortization. Cost includes all costs directly attributable to acquisition or construction of the tangible capital assets including transportation costs, installation costs, design and engineering fees, legal fees and site preparation costs. Tangible capital assets acquired as part of the Social Housing Fund are recorded in that fund. Contributed tangible capital assets are recorded at fair value at the time of the donation, with a corresponding amount recorded at revenue.

Amortization is recorded on a declining balance basis over the estimated life of the tangible capital asset commencing once the asset is available for productive use as follows below.

Automotive equipment	30%
Band owned houses	5%
Buildings	5%
Construction equipment	20%
Infrastructure	2%
Office and furniture equipment	20-30%

In the year of acquisition, 50% of the normal amortization is recorded.

No amortization is taken on assets under construction until they have been fully developed.

Social Housing Fund assets acquired under CMHC subsidized housing programs are amortized at a rate equivalent to the annual principal reduction in related long-term debt, as required for CMHC reporting purposes.

Tangible capital assets are written down when conditions indicate that they no longer contribute to the Band's ability to provide goods and services, or when the value of future economic benefits associated with the tangible capital assets are less than their net book value. The net write-downs are accounted for as expenses in the statement of operations.

Haisla Nation Council

Summary of Significant Accounting Policies

March 31, 2019

Revenue Recognition	<p>Revenue is recognized as it becomes receivable under the terms of applicable funding agreements. Funding received under the funding arrangements, which relates to a subsequent fiscal period, is reflected as deferred revenue in the year of receipt and classified as such on the consolidated statement of financial position.</p> <p>Rental revenue is recognized when a tenant commences occupancy and rent is due. Haisla Nation Council retains all benefits and risks of ownership of its property and, therefore, accounts for leases with its tenants as operating leases.</p> <p>Taxation revenue is recorded at estimated amounts when they meet the definition of an asset, have been authorized and the taxable event occurs. For property taxes, the taxable event is the period for which the tax is levied. As taxes recorded are initially based on management's best estimate of the taxes that will be received, it is possible that changes in future conditions, such as reassessments due to audits, appeals and court decisions, could result in a change in the amount of tax revenue recognized. Taxes receivable are recognized net of an allowance for anticipated uncollectible amounts.</p> <p>All other revenue is recognized in the period in which the events that give rise to the revenue occurs.</p>
Ottawa Trust Funds	<p>Haisla Nation Council uses the accrual method of accounting for Ottawa Trust Fund revenues earned in the Fund. Trust monies are recognized as revenue of the band upon authorized withdrawal from the Ottawa Trust Fund.</p>
Rents Receivable	<p>Canada Mortgage and Housing Corporation (CMHC) does not allow or recognize bad debts recorded in the financial statements of Social Housing and will not subsidize rental arrears.</p>
Government Transfers	<p>Government transfers are recognized as revenue in the financial statements 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. Transfers are recognized as deferred revenue when the transfer stipulations give rise to a liability. Transfer revenue is recognized in the statement of operations as the stipulation liabilities are settled.</p>
Deferred Revenue	<p>Funds received for specific purposes which are externally restricted by legislation, regulation or agreement and are not available for general purposes are accounted for as deferred revenue on the statement of financial position. The revenue is recognized in the statement of operations in the year in which it is used for the specified purposes.</p>

Haisla Nation Council Summary of Significant Accounting Policies

March 31, 2019

Leased Assets	Leases entered into that transfer substantially all of the benefits and risks associated with ownership are recorded as the acquisition of a tangible capital asset and the incurrence of an obligation. The asset is amortized in a manner consistent with the tangible capital assets owned by the Nation, and the obligation, including interest thereon, is liquidated over the term of the lease. All other leases are accounted for as operating leases, and the rental costs are expensed as incurred.
Non-Financial Assets	Non-financial assets are used to provide the Haisla Nation Council's services in future periods. These assets do not normally provide resources to discharge the liabilities of the Haisla Nation Council unless they are sold. The Haisla Nation Council's non-financial assets include tangible capital assets, prepaid expenses and inventory held for sale.
Trusts Under Administration	Trusts administered by the Haisla Nation Council are not included in these financial statements.

Haisla Nation Council

Notes to Consolidated Financial Statements

March 31, 2019

1. Cash

	2019	2018
Operating	\$ 3,097,351	\$ 10,283,309
Gas Bar	132,306	82,336
Social Housing	103,252	96,509
Haisla Trust Society	-	64,108
Haisla (HL) Developments Ltd.	66,370	66,500
	\$ 3,399,279	\$ 10,592,762

Cash is held in two Canadian Chartered Banks and earns interest at the current prevailing rates for business operating accounts.

2. Restricted Cash

	2019	2018
Ottawa Trust revenue	\$ 4,346	\$ 20,281
Ottawa Trust capital	21,934	21,934
Social Housing Replacement reserve (PRE)	696,532	624,781
Social Housing Operating reserve (POST)	571,105	-
	\$ 1,293,917	\$ 666,996

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. These funds are restricted in their use. The Nation is permitted to use its revenue for any purpose that will promote the general progress and welfare of the Nation and Nation members. The expenditures of capital funds requires the consent of Indigenous Services Canada and generally must be for projects of a capital nature. Withdrawals of revenue or capital funds are recorded as revenue in the applicable fund where the monies are expended.

In order to provide for replacement of major capital items, the terms of the operating agreements between Haisla Nation Council and CMHC provide that a replacement reserve fund be established by annual charges to operations in amount prescribed by the agreements. Under these agreements, Haisla Nation Council is required to segregate annual transfers to reserve funds and interest earned on these funds from other cash. As at March 31, 2019, the replacement reserve was overfunded by \$183,223 (2018 - \$90,469).

Haisla Nation Council

Notes to Consolidated Financial Statements

March 31, 2019

3. Accounts Receivable

Accounts receivable by program area is summarized as follows:

	<u>2019</u>	<u>2018</u>
Operating		
A/R - Trade	\$ 2,592,439	\$ 2,674,945
Allowance for doubtful accounts	-	(10,337)
Rents receivable	9,483	19,266
Allowance for rents receivable	(9,483)	(19,266)
ISC receivable	99,467	143,925
	<u>2,691,906</u>	<u>2,808,533</u>
 Haisla (HL) Developments Ltd.	 159	 159
A/R - Social Housing	<u>56,596</u>	<u>11,205</u>
	<u>\$ 2,748,661</u>	<u>\$ 2,819,897</u>

4. Funds Held in Trust

The Nation maintains the Haisla Minors LNG trust fund. The investment balance of the fund has been excluded from the financial statements as the asset are beneficially held in trust for third parties. At March 31, 2019 the Nation held \$3,249,274 (2018 - \$3,571,267) in trust.

Haisla Nation Council

Notes to Consolidated Financial Statements

March 31, 2019

5. Investments

	2019		2018	
	Market Value	Book Value	Market Value	Book Value
Investments				
Cash	\$ 5,255,632	\$ 5,255,632	\$ 2,245,661	\$ 2,245,661
Fixed Income	32,317,606	31,512,093	25,717,768	25,790,906
Preferred Shares	2,060,060	2,139,795	2,011,859	2,113,225
Common Shares	59,476,210	55,284,587	20,982,369	18,977,688
Mutual Funds	5,556,781	5,582,009	13,101,097	10,955,517
Foreign Securities	634,942	534,860	153,079	166,431
American Depository Receipts	13,111,574	12,748,179	7,793,113	1,499,351
	118,412,805	113,057,155	72,004,946	61,748,779
Kitamaat LNG Investments				
Cash	316,845	316,845	2,057,995	2,057,995
Provincial Bonds	4,986,491	5,075,748	4,701,492	4,850,850
Foreign Securities	4,169,485	3,540,247	3,899,563	3,456,554
Federal Government Bonds	15,023,234	11,384,671	12,700,584	18,026,306
Corporate Bonds	9,711,432	9,514,226	11,626,821	11,577,248
Canadian Equities	6,948,278	5,573,424	6,241,630	4,808,649
Fund Units	27,757,544	25,006,829	25,920,589	22,714,630
	68,913,309	60,411,990	67,148,674	67,492,232
Legacy Trust				
Fixed Income	4,366,973	4,263,394	4,051,274	4,074,749
Common Shares	4,999,420	4,090,685	4,753,570	4,031,319
Mutual Funds	1,307,251	1,341,955	-	-
Foreign Securities	80,433	63,968	31,902	33,348
American Depository receipts	2,053,445	1,634,065	2,083,032	1,715,409
	12,807,522	11,394,067	10,919,778	9,854,825
Members' Trust				
Fixed Income	6,201	6,201	6,201	6,201
	\$200,139,837	\$184,869,413	\$150,079,599	\$139,102,037

Haisla Nation Council

Notes to Consolidated Financial Statements

March 31, 2019

5. Investments (continued)

The fixed income investments include treasury bills and government and bank bonds with maturity dates that range from April 2018 to December 2046. The interest rates earned on the fixed income investments range from 1.25% to 6.40% per annum.

The Members' Trust is made up of internally restricted funds received under the Rio Tinto Alcan Legacy Agreement.

6. Accounts Payable

	<u>2019</u>	<u>2018</u>
Operating	\$ 6,374,610	\$ 4,834,425
A/P - Haisla Capacity	2,000	2,000
A/P - Social Housing	9,919	60,104
	<u>\$ 6,386,529</u>	<u>\$ 4,896,529</u>

7. Deferred Revenue

Deferred revenue represents funding received for programs/projects that were not completed during the year.

	<u>2019</u>	<u>2018</u>
Operating Fund - Other		
Miscellaneous	2,262,625	2,936,318
	<u>\$ 2,262,625</u>	<u>\$ 2,936,318</u>

Haisla Nation Council

Notes to Consolidated Financial Statements

March 31, 2019

8. Long Term Debt

	2019	2018
<u>Operating</u>		
Royal Bank of Canada term loan, repayable in monthly instalments of \$7,490 including interest at 4.70% per annum, maturing July 2019	\$ 866,899	\$ 915,606
Construction advance, no terms of repayment	130,674	-
<u>Social Housing</u>		
All Nations Trust Company, mortgage, repayable in monthly instalments of \$2,425 including interest at 1.39% per annum, maturing March 2020	28,915	57,263
All Nations Trust Company, mortgage, repayable in monthly instalments of \$2,402 including interest at 1.14% per annum, maturing May, 2021	61,704	89,502
All Nations Trust Company, mortgage, repayable in monthly instalments of \$ 2,515 including interest at 1.65% per annum, maturing May 2022	92,890	121,173
All Nations Trust Company, mortgage, repayable in monthly instalments of \$1,675 including interest at 1.04% per annum, maturing July 2020	26,628	46,277
All Nations Trust Company, mortgage, repayable in monthly instalments of \$1,183 including interest at 1.14% per annum, maturing May 2026	97,755	110,559
All Nations Trust Company, mortgage, repayable in monthly instalments of \$1,725 including interest at 1.71% per annum, maturing July 2023	86,632	105,338
All Nations Trust Company, mortgage, repayable in monthly instalments of \$1,998 including interest at 1.44% per annum, maturing February 2027	179,519	200,291
All Nations Trust Company, mortgage, repayable in monthly instalments of \$2,284 including interest at 1.44% per annum, maturing February 2027	205,210	228,955
Subtotal	\$ 1,776,826	\$ 1,874,964

All Social Housing mortgages are secured by a Ministerial Guarantee from Indigenous Services Canada

	2019	2018
Long term debt carried forward	\$ 1,776,826	\$ 1,874,964
Less: current portion	185,364	1,097,960
	\$ 1,591,462	\$ 777,004

Haisla Nation Council

Notes to Consolidated Financial Statements

March 31, 2019

The estimated principal repayments on the above long term debt required over the next five years and thereafter are as follows:

2020	\$ 316,038
2021	1,011,279
2022	115,366
2023	87,235
2024	69,565
Thereafter	<u>177,343</u>
	<u>\$ 1,776,826</u>

Haisla Nation Council

Notes to Consolidated Financial Statements

March 31, 2019

9. Tangible Capital Assets

	2019		2018	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Land	\$ 3,473,978	\$ -	\$ 3,473,978	\$ -
Artwork	16,500	-	16,500	-
Assets under construction	2,489,957	-	880,247	-
Equipment				
Automotive equipment	2,149,840	1,508,398	1,907,095	1,285,511
Construction equipment	748,989	722,391	748,989	715,741
Other equipment	3,763,941	2,239,419	2,798,725	1,961,566
Communication equipment	10,375	10,305	10,375	10,275
Boating equipment	527,124	505,474	527,124	496,195
Buildings				
Community buildings	20,626,453	6,178,565	16,053,862	5,511,310
Band owned houses	221,924	94,646	221,924	87,947
Community buildings	129,258	50,203	129,258	46,909
Land improvements				
Infrastructure	3,179,068	1,027,767	3,179,068	983,863
Housing construction	588,263	95,095	588,263	69,139
	37,925,670	12,432,263	30,535,408	11,168,456
Social Housing	5,920,374	3,434,800	5,920,374	3,252,654
Haisla (HL) Developments Ltd				
Land	453,234	-	453,234	-
Assets under construction	870,555	-	-	-
	1,323,788	-	453,234	-
Haisla Trust Society				
Land held in trust	397,135	-	397,135	-
Land	103,124	-	391,124	-
Building and improvements	322,006	52,828	322,006	38,661
	822,265	52,828	1,110,265	38,661
	45,992,097	15,919,891	38,019,281	14,459,771
Net book value		\$ 30,072,206		\$ 23,559,510

Haisla Nation Council

Notes to Consolidated Financial Statements

March 31, 2019

9. Tangible Capital Assets (continued)

2019

	Land	Artwork	Equipment	Buildings	Land Improvement s	Assets under construction	Dock	Total
Cost, beginning of year	\$5,205,471	\$ 16,500	\$ 6,107,357	\$ 22,042,375	\$ 3,179,068	\$ 880,247	\$ 588,263	\$38,019,281
Additions		-	1,207,960	4,572,592	-	2,480,263	-	8,260,815
Disposals	(288,000)	-	-	-	-	-	-	(288,000)
Cost, end of year	\$4,917,471	\$ 16,500	\$ 7,315,317	\$ 26,614,967	\$ 3,179,068	\$ 3,360,510	\$ 588,263	\$45,992,096
Accumulated amortization, beginning of year	\$ -	\$ -	\$ 4,861,536	\$ 8,590,437	\$ 938,660	\$ -	\$ 69,138	\$14,459,771
Amortization	-	-	516,699	873,561	43,904	-	25,955	1,460,119
Accumulated amortization, end of year	\$ -	\$ -	\$ 5,378,235	\$ 9,463,998	\$ 982,564	\$ -	\$ 95,093	\$15,919,890
Net carrying amount, end of year	\$4,917,471	\$ 16,500	\$ 1,937,082	\$ 17,150,969	\$ 2,196,504	\$ 3,360,510	\$ 493,170	\$30,072,206

Haisla Nation Council

Notes to Consolidated Financial Statements

March 31, 2019

9. Tangible Capital Assets (continued)

2018

	Land	Artwork	Equipment	Buildings	Land Improvements	Assets under construction	Dock	Total
Cost, beginning of year	\$ 5,176,193	\$ 16,500	\$ 5,723,573	\$21,742,676	\$ 3,179,068	\$ 880,247	\$ 588,263	\$37,306,520
Additions	29,278	-	383,784	299,699	-	-	-	712,761
Cost, end of year	\$ 5,205,471	\$ 16,500	\$ 6,107,357	\$22,042,375	\$ 3,179,068	\$ 880,247	\$ 588,263	\$38,019,281
Accumulated amortization, beginning of year	\$ -	\$ -	\$ 4,420,613	\$ 7,838,322	\$ 893,860	\$ -	\$ 41,815	\$13,194,610
Amortization		-	440,923	752,115	44,800	-	27,323	1,265,161
Accumulated amortization, end of year	\$ -	\$ -	\$ 4,861,536	\$ 8,590,437	\$ 938,660	\$ -	\$ 69,138	\$14,459,771
Net carrying amount, end of year	\$ 5,205,471	\$ 16,500	\$ 1,245,821	\$13,451,938	\$ 2,240,408	\$ 880,247	\$ 519,125	\$23,559,510

Haisla Nation Council

Notes to Consolidated Financial Statements

March 31, 2019

10. Accumulated Surplus

	2019	2018
Operating surplus	\$173,337,728	\$133,541,014
Equity in Haisla investments	12,711,763	10,994,994
Equity in tangible capital assets	24,984,175	18,988,394
Equity Haisla Capacity Development	(297,575)	(296,727)
Equity in Ottawa trust	26,280	42,215
Contributed surplus	1,757,912	1,757,912
Replacement Reserve	513,308	534,311
Members' Trust	6,967,053	6,428,733
Forest and Range Agreement	414,788	431,354
Equity in Haisla Trust Society	(33,463)	1,041
Haisla Legacy Trust	12,807,552	10,919,778
	<u>\$233,189,521</u>	<u>\$183,343,019</u>

Haisla Nation Council

Notes to Consolidated Financial Statements

March 31, 2019

11. Investments in Nation business entities

The Nation has investments in the following entities:

	2019	2018
Limited Partnerships		
Summit Helicopter Limited Partnership - 50.1%	\$ 1,199	\$ -
Beachwood Apartments Limited Partnership - 50.1%	4,447,397	4,447,397
Ledcor Limited Partnership - 50.1%	1,301,643	3,117,235
Progressive Ventures Limited Partnership - 50.1%	263,554	1,410,413
Ruskin Kitimaat Limited Partnership - 50.1%	(38,961)	(67,337)
SG Kitimaat Limited Partnership - 50.1%	180,980	110,753
Triton Limited Partnership - 50.1%	182,383	(16,938)
HN Projects Limited Partnership - 99.9%		222,000
222,000		
HN DL 99 LP - 50.1%	4,452,163	4,452,163
CIC Limited Partnership - 51%	41,082	114,971
Tetra Tech Limited Partnership - 50.1%	12,944	12,940
MK Bay Limited Partnership - 50.1%	1,330,757	1,095,756
Seaspan Haisla Limited Partnership - 50.1%	124,844	21,486
Servco Limited Partnership - 50.1%	324,444	-
Haisol Limited Partnership - 50.1%	143,916	-
Haisea Marine Services Limited Partnership - 51%	(2,856)	-
	12,987,489	14,920,839
Joint Ventures		
Atco Joint Venture - 50.1%	61,775	26,695
Haisla Orica Kitimaat Joint Venture - 50.1%	-	86,604
Mammoet Joint Venture - 50.1%	19,562	14,684
Kuehna & Nagel Joint Venture - 50.1%	-	53,000
ESS Joint Venture - 51%	34,336	(53,433)
Bridgeman Joint Venture - 50.1%	54,164	(2,680)
Waste Management Joint Venture - 50.1%	1,847	4,317
Brock Canada Inc Joint Venture - 50.1%	50,755	50,661
North Pac Joint Venture - 51%	1,990,221	129,874
Civeo Joint Venture - 50.1%	157,800	-
Vertex Joint Venture - 50.1%	114,078	93,514
Securityguard Services Joint Venture - 50.1%	12,476	18,477
	2,497,014	421,713
Haisla Trust Society		
MK Bay	281,250	-
Total investment in Nation business entities	\$ 15,765,753	\$ 15,342,552

For partnerships, equity is comprised of partnership advances, less drawings, plus the partner's proportional share of net income. The Haisla Nation Council has investments in the following entities:

Haisla Nation Council

Notes to Consolidated Financial Statements

March 31, 2019

11. Investment in Nation business entities (continued)

						2019	2018
	Assets	Liabilities	Net Assets	Revenue	Expenses	Total Earnings (Loss)	Total Earnings (Loss)
Limited Partnerships							
Summit Helicopter Limited Partnership	\$ 622	\$ 415	\$ 207	\$ 315,152	\$ 308,513	\$ 6,639	-
Beachwood Apartments 1 Limited Partnership	17,396,708	12,242,785	5,153,923	2,398,393	3,077,857	(679,464)	-
Ledcor Limited Partnership	11,058,112	8,930,439	2,127,673	26,089,616	25,627,205	462,411	23,474,234
Progressive Ventures Limited Partnership	1,240,926	714,870	526,056	1,967,673	2,211,008	(243,335)	2,442,848
Ruskin Kitamaat Limited Partnership	2,909,396	8,197,079	(5,287,683)	1,742,656	1,686,018	56,638	(59,170)
SG Kitamaat Limited Partnership	2,303,000	2,302,000	1,000	1,985,000	1,977,000	8,000	959
Triton Limited Partnership	-	852,083	(852,083)	8,531,301	7,679,218	852,083	313,408
HN Projects Limited Partnership	6,098,996	9,549	6,089,447	328,138	8,108	320,030	-
HN DL 99 LP	3,958,683	165,308	3,793,375	69,128	1,167	67,961	-
CIC Limited Partnership	-	-	-	-	-	-	-
Tetra Tech Limited Partnership	16,389	800	15,589	93	4	89	2,618
MK Bay Limited Partnership	3,066,346	422,572	2,643,774	2,491,133	2,256,013	235,120	-
Seaspan Haisla Limited Partnership	200	7,200	(7,000)	3,445,273	2,000	3,443,273	-
Servco Limited Partnership	-	-	-	16,222,205	16,222,205	-	-
Haisol Limited Partnership	672,509	434,168	238,341	1,436,285	1,197,954	238,331	-
Haisea Marine Services Limited Partnership	100	5,600	(5,500)	-	2,000	(2,000)	-

Haisla Nation Council

Notes to Consolidated Financial Statements

March 31, 2019

11. Investment in Nation business entities (continued)

						2019	2018
	Assets	Liabilities	Net Assets	Revenue	Expenses	Total Earnings (Loss)	Total Earnings (Loss)
Joint Ventures							
Atco Joint Venture	-	-	-	875,109	840,104	35,005	3,032,964
Haisla Orica Kitimaat Joint Venture	-	-	-	-	-	-	-
Mammoet Joint Venture	-	-	-	276,338	297,697	(21,359)	-
Kuehna & Nagel Joint Venture	-	-	-	-	-	-	-
ESS Joint Venture	-	-	-	7,057,042	7,335,723	(278,681)	(88,282)
Bridgeman Joint Venture	-	-	-	2,257,630	1,737,668	519,962	(7,380)
Waste Management Joint Venture	-	-	-	15,723	10,434	5,289	-
Brock Canada Joint Venture	-	-	-	9,364	19,346	(9,982)	-
North Pac Joint Venture	-	-	-	23,885,855	20,732,667	3,153,188	22,209
Civeo Joint Venture	-	-	-	12,054,016	12,054,016	-	-
Vertex Joint Venture	-	-	-	685,487	664,922	20,565	-
Securityguard Services Joint Venture	-	-	-	400,200	-	400,200	201,719
	\$ 48,721,987	\$ 34,284,868	\$ 14,437,119	\$ 114,538,810	\$ 105,948,847	\$ 8,589,963	\$ 29,336,127

Haisla Nation Council

Notes to Consolidated Financial Statements

March 31, 2019

11. Investment in Nation business entities (continued)

The following period of financial information was used to determine the amount of the investment in Haisla Nation Council's business activities:

Limited Partnerships

Summit Helicopter Limited Partnership	April 1, 2018 - March 31, 2019
Beachwood Apartments 1 Limited Partnership	April 1, 2018 - March 31, 2019
Ledcor Limited Partnership	April 1, 2018 - March 31, 2019
Progressive Ventures Limited Partnership	April 1, 2018 - March 31, 2019
Ruskin Kitimaat Limited Partnership	April 1, 2018 - March 31, 2019
SG Kitimaat Limited Partnership	April 1, 2018 - March 31, 2019
Triton Limited Partnership	April 1, 2018 - March 31, 2019
HN Projects Limited Partnership	April 1, 2018 - March 31, 2019
HN DL 99 LP	April 1, 2018 - March 31, 2019
CIC Limited Partnership	April 1, 2018 - March 31, 2019
Tetra Tech Limited Partnership	April 1, 2018 - March 31, 2019
MK Bay Limited Partnership	April 1, 2018 - March 31, 2019
Seaspan Haisla Limited Partnership	April 1, 2018 - March 31, 2019
Servco Limited Partnership	April 1, 2018 - March 31, 2019
Haisol Limited Partnership	April 1, 2018 - March 31, 2019
Haisea Marine Services Limited Partnership	April 1, 2018 - March 31, 2019

Joint Ventures

Atco Joint Venture	April 1, 2018 - March 31, 2019
Haisla Orica Kitimat Joint Venture	April 1, 2018 - March 31, 2019
Mammoet Joint Venture	April 1, 2018 - March 31, 2019
Kuehna & Nagel Joint Venture	April 1, 2018 - March 31, 2019
ESS Joint Venture	April 1, 2018 - March 31, 2019
Bridgeman Joint Venture	April 1, 2018 - March 31, 2019
Waste Management Joint Venture	April 1, 2018 - March 31, 2019
Brock Canada Joint Venture	April 1, 2018 - March 31, 2019
North Pac Joint Venture	April 1, 2018 - March 31, 2019
Civeo Joint Venture	April 1, 2018 - March 31, 2019
Vertex Joint Venture	April 1, 2018 - March 31, 2019
Securityguard Services Joint Venture	April 1, 2018 - March 31, 2019

Haisla Nation Council

Notes to Consolidated Financial Statements

March 31, 2019

12. Comparative Figures

Certain comparative amounts presented in the consolidated financial statements have been reclassified to conform to current year's presentation.

13. Line of Credit

The Royal Bank of Canada has approved an operating line of credit up to \$500,000 at the bank's prime lending rate plus 0.5%. Payments revolve in increments of \$10,000, due on demand. At March 31, 2019, this facility is unused.

14. Replacement Reserve

Under the terms of the agreement with Canada Mortgage and Housing Corporation, the Replacement Reserve account is to be credited annually. These funds along with accumulating interest are to be held in a separate bank account. The funds in this account may only be used as approved by Canada and Mortgage and Housing Corporation. Withdrawals are credited to interest first and then principal.

The Nation is in compliance with the term of its agreement with CMHC requiring Replacement Reserve funds to be held in a separate bank account. As at March 31, 2019, the Replacement Reserve was overfunded by \$183,224 (2018 - \$(90,470)).

Haisla Nation Council

Notes to Consolidated Financial Statements

March 31, 2019

15. Commitments and Contingent Liabilities

Haisla Nation has guaranteed loans for Nation members for the year ended March 31, 2019 in the amount of \$64,472 (2018 - \$133,503). These loans are in addition to the Canada Mortgage and Housing loans for Social Housing that are reflected as liabilities in these consolidated financial statements.

The Nation has entered into leases for different agreements including office equipment, vehicles and land. Over the next two years they are committed as follows:

	<u>2019</u>
2020	11,820
2021	<u>5,910</u>
	<u>17,730</u>

16. Employee Benefits

The Nation has a defined contribution plan providing pension benefits to certain of its employees. The pension cost charge represents contributions payable by the Nation to the plans and amount to \$255,501 (2018 - \$286,130).

Haisla Nation Council

Notes to Consolidated Financial Statements

March 31, 2019

17. Prior Period Adjustments

During the year, it was determined deferred revenue in the prior period was inappropriately recognized as revenue. The funding received from LNG Canada Project should be recognized as spent. This had an effect of understating deferred revenue and net assets while overstating revenues and surplus for the year. As a result, adjustments were required to restate deferred revenue, net assets and surplus.

Also, during the year, it was determined that the incorrect amount of foreign exchange gain/loss had been recorded. The amount of foreign exchange gain/loss had been calculated incorrectly. This has an effect of overstating investments, net assets, interest revenue and annual surplus. As a result, adjustments were required to restate investments, interest revenue, net assets and surplus.

Also, during the year as well, it was determined payments received from two Joint Ventures had been recorded incorrectly. This has an effect of overstating long term investments, net assets, investment income from business entities and annual surplus. As a result, adjustments were required to restate investments, interest revenue, net assets and surplus.

During the year it was determined that the incorrect amount of CIBC investments had been adjusted for. This has an effect of understating the restricted surplus and overstating the investment income, as a result overstating surplus for the year. As a result adjustments were required to restate restricted surplus, investment income and surplus for the year.

Also during the year it was discovered that an account needed to be remapped from accounts receivable into due to/from related parties. This has an effect of overstating accounts receivable and net assets and understating due to/from related parties. As a result, remapping of the account was required to restate accounts receivable, due to/from related parties and net assets.

It was also discovered during the year that the financial statements line items labelled replacement reserve and inventory needed to be reallocated. Replacement reserve was reallocated to accumulated surplus and inventory was reallocated to non - financial assets. This has an effect of overstating net assets and understating non-financial assets and accumulated surplus. As a result reallocation of the line items was required to restate net assets, non-financial assets and accumulated surplus.

As well it was discovered during the year that an adjustment to reconcile surplus/deficit balances needed to be reversed. This has an effect of overstating accounts receivable, net assets and understating opening surplus/deficit. An adjustment was required to restate accounts receivable, net assets and opening surplus/deficit.

Above accounts were also impacted by certain reclassifications (Note 12).

Haisla Nation Council

Notes to Consolidated Financial Statements

March 31, 2019

17. Prior Period Adjustments (continued)

The impact of these restatements are outlined as follows:

	<u>As previously reported</u>	<u>Increase (decrease)</u>	<u>Reclassification to Accumulated Surplus</u>	<u>Reclassification (Note 12)</u>	<u>As restated</u>
<u>Statement of financial position</u>					
Deferred revenue	936,318	2,000,000			2,936,318
Investments	141,032,002	(1,929,965)			139,102,037
Investment in Nation business entities	20,423,189	(5,080,637)			15,342,552
Accounts receivable	5,124,438		(1,392,000)	(912,541)	2,819,897
Due to/from related parties	448,065			912,530	(464,465)
Replacement reserve	534,311		(534,311)		
Inventory	14,206		(14,206)		
Net Financial Assets	169,163,406	(9,010,602)	(871,895)	(11)	159,280,898
<u>Statement of Operations</u>					
Fees and other income	15,521,398	(2,000,000)		(8,210,998)	5,310,400
Interest and investment income	14,975,807	(5,717,559)		(5)	9,258,243
Investment income from business entities	6,621,188	(5,080,637)		(65,121)	1,475,430
Amortization expense	1,469,315	(204,154)			1,265,161
Surplus for the year	20,137,516	(13,002,350)		64,485	7,199,651

Haisla Nation Council

Notes to Consolidated Financial Statements

March 31, 2019

18. Fiscal Plan

Canadian public sector accounting standards requires that the Band's budget be presented in the financial statements. As the band currently does not prepare the budget in a format comparative to the consolidated statement of operations line items, no budgeted figures have been presented as otherwise required.

19. Due to Related Party

The advances from HN Projects Limited Partnership, are unsecured, non-interest bearing with no specific terms of repayment.

20. Subsequent Event

As of March 31, 2019 Haisla Trust Society had advanced \$11,209,228.68 to Haisla Nation Council towards the purchase of a building. The possession of the building did not take place until after March 31, 2019 however the deposit paid to the law firm of \$11,209,228.68 took place before year end as it was required to complete the purchase.

Haisla Nation Council

Notes to Consolidated Financial Statements

March 31, 2019

21. Expenses by Type

	2019	2018
Advertising	\$ 23,996	\$ 25,882
Amortization	1,460,119	1,265,161
Automotive	211,282	247,302
Bad debts	255,941	5,376
Bank charges	835,710	843,575
Capital Fund repairs and maintenance	584,842	525,133
COLA payments	11,582,000	4,112,425
Contract services	1,995,948	1,585,811
Council remuneration	369,130	402,172
Insurance	256,716	208,601
Interest	53,752	49,176
Local education agreement	642,322	723,183
Materials and supplies	2,261,233	1,446,883
Office and miscellaneous	469,784	242,400
Patient transportation	522,641	501,027
Professional fees	1,694,122	4,686,868
Program expenses	1,571,682	1,145,259
Repairs and maintenance	331,448	562,175
Rent	376,460	487,166
Replacement reserve	48,221	109,386
Salaries and benefits	7,940,912	7,266,484
Social assistance	555,948	683,420
Student allowance and transportation	2,380,099	2,893,157
Telephone	151,433	148,620
Travel and accommodation	848,119	616,542
Training	1,122,428	1,831,328
Utilities	239,900	226,329
	\$ 38,786,188	\$ 32,840,841

Haisla Nation Council

Notes to Consolidated Financial Statements

March 31, 2019

22. Segment Disclosure

The Haisla Nation Council is a diversified First Nations organization that provides a wide range of services to its members. Distinguishable functional segments have been separately disclosed in the segmented information. The nature of the segments and the activities they encompass are as follows:

Administration

This item relates to the revenues and expenses that relate to the operations of the Haisla Nation Council itself and cannot be directly attributed to specific segment.

Community Welfare

This service area provides services to help the Members by providing a variety of programs, community services and social assistance.

Operations and Maintenance

This service area provides services relating to the development, maintenance and service of the Haisla Nation Council's assets, infrastructure and common property.

Education

This service area provides educational services through the operations of an on-reserve school, post secondary education support and the operations of various other educational programs. The goal of this segment is to enhance the educational opportunities of the Haisla Nation Council's Members.

Economic Development

This service area provides for the development of economic opportunities to the Members.

Health Services

This service area provides for health-related services and programs to the Members.

Social Housing

This service area provides for social housing to the Members.

Natural Resource Management

This service area includes exploration of natural resources and development of natural resource revenues.

Treaty Related Matters

This service area includes treaty negotiations and specific claims for the Haisla Nation Council.

Capital

This service area provides for the development of new capital projects and infrastructure programs on the reserve.

Haisla Nation Council

Notes to Consolidated Financial Statements

March 31, 2019

23. Segment Disclosure (continued)

2019

	Administration	Community Welfare	Operations & Maintenance	Education	Economic Development	Health Services	Social Housing	Natural Resource Management	Treaty Related Matters	Capital	Total
Revenue											
ISC	\$ 972,346	\$ 1,282,412	\$ 279,307	\$ 2,632,596	\$ 113,709	\$ -	\$ 170,130	\$ 225,360	\$ -	\$ 5,712,743	\$ 11,388,603
Other	58,746,731	-	84,670	1,722,837	13,321,098	2,484,619	368,320	884,097	-	1,357,798	78,970,170
Taxation	-	-	-	-	-	-	-	-	3,019,444	-	3,019,444
Business Entities	-	-	-	-	(4,244,179)	-	-	-	-	-	(4,244,179)
	59,719,077	1,282,412	363,977	4,355,433	9,190,628	2,484,619	538,450	1,109,457	3,019,444	7,070,541	89,134,038
Expenses											
Payroll	3,171,486	268,075	931,954	1,584,389	403,334	948,545	122,368	562,405	-	29,909	8,022,465
Other	5,812,146	620,617	733,096	3,867,972	15,037,228	1,457,663	233,749	985,170	1,030	554,933	29,303,604
Amortization	14,167	-	1,263,807	-	-	-	182,145	-	-	-	1,460,119
	8,997,799	888,692	2,928,857	5,452,361	15,440,562	2,406,208	538,262	1,547,575	1,030	584,842	38,786,188
Surplus (deficit)	\$ 50,721,278	\$ 393,720	\$ (2,564,880)	\$ (1,096,928)	\$ (6,249,934)	\$ 78,411	\$ 188	\$ (438,118)	\$ 3,018,414	\$ 6,485,699	\$ 50,347,850

2018

	Administration	Community Welfare	Operations & Maintenance	Education	Economic Development	Health Services	Social Housing	Natural Resource Management	Treaty Related Matters	Capital	Total
Revenue											
ISC	\$ 826,731	\$ 1,178,847	\$ 360,305	\$ 2,567,832	\$ 110,824	\$ -	\$ -	\$ 277,250	\$ -	\$ 684,509	\$ 6,006,298
Other	12,563,318	-	161,242	1,033,535	15,092,600	2,230,431	581,994	1,172,891	-	750,275	33,586,286
Taxation	-	-	-	-	-	-	-	-	(6,108,160)	-	(6,108,160)
Business Entities	-	-	-	-	6,556,068	-	-	-	-	-	6,556,068
	13,390,049	1,178,847	521,547	3,601,367	21,759,492	2,230,431	581,994	1,450,141	(6,108,160)	1,434,784	40,040,492
Expenses											
Payroll	2,834,224	392,770	884,392	1,191,943	583,746	826,179	151,211	640,132	-	2,060	7,506,657
Other	6,321,680	583,015	580,977	3,653,760	9,805,260	1,183,222	574,659	843,378	-	523,072	24,069,023
Amortization	14,913	-	1,070,511	-	-	-	179,737	-	-	-	1,265,161
	9,170,817	975,785	2,535,880	4,845,703	10,389,006	2,009,401	905,607	1,483,510	-	525,132	32,840,841
Surplus (deficit)	\$ 4,219,232	\$ 203,062	\$ (2,014,333)	\$ (1,244,336)	\$ 11,370,486	\$ 221,030	\$ (323,613)	\$ (33,369)	\$ (6,108,160)	\$ 909,652	\$ 7,199,651