

**Haisla Nation Council**  
**Consolidated Financial Statements**  
For the year ended March 31, 2020

**Haisla Nation Council**  
**Consolidated Financial Statements**  
For the year ended March 31, 2020

	<b>Contents</b>
<b>Management's Responsibility for Financial Reporting</b>	<b>3</b>
<b>Independent Auditor's Report</b>	<b>4 - 6</b>
<b>Consolidated Financial Statements</b>	
Exhibit A - Consolidated Statement of Financial Position	<b>7</b>
Exhibit B - Consolidated Statement of Change in Net Assets	<b>8</b>
Exhibit C - Consolidated Statement of Operations	<b>9 - 10</b>
Exhibit D - Consolidated Statement of Cash Flows	<b>11</b>
Summary of Significant Accounting Policies	<b>12 - 15</b>
Notes to Consolidated Financial Statements	<b>16 - 35</b>

---

## 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.

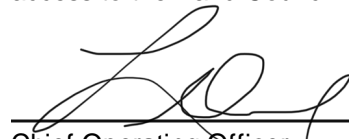
The financial statements have been prepared by management in accordance with Canadian public sector accounting standards. Financial statements are not precise since they include certain amounts based on estimates and judgments. When alternative accounting methods exist, management has chosen those it 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.

  
\_\_\_\_\_  
Chief Operating Officer  
\_\_\_\_\_  
Finance Manager



Tel: (250) 372-9505  
Fax: (250) 374-6323  
Toll free: 1-800-482-4531  
[www.bdo.ca](http://www.bdo.ca)

BDO Canada LLP  
300-273 Lansdowne Street  
Kamloops, British Columbia  
V2C 6J3

---

## 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, 2020, 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, 2020 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, 2020 and 2019, the related amortization expense and annual surplus for the year ended March 31, 2020 and 2019 and equity in tangible capital assets as at April 1 and March 31 for both the 2020 and 2019 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, 2020 and 2019, revenue and annual surplus (deficit) for the year ended March 31, 2020 and 2019, and accumulated surplus as at April 1 and March 31 for both the 2020 and 2019 years.

Our audit opinion on the financial statements for the year ended March 31, 2019 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 or completeness of the schedules or exhibits on pages 39 through 129 of the Group'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.

### **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  
August 27, 2020

## Haisla Nation Council

### Exhibit A - Consolidated Statement of Financial Position

As at March 31	2020	2019
<b>Financial Assets</b>		
Cash (Note 1)	\$ 3,258,144	\$ 3,399,279
Restricted cash (Note 2)	1,203,003	1,293,917
Accounts receivable (Note 3)	3,468,484	2,748,661
Investments (Note 5)	194,212,232	184,869,395
Investment in Nation business entities (Note 11)	26,087,678	15,765,753
	<u>228,229,541</u>	<u>208,077,005</u>
<b>Liabilities</b>		
Accounts payable (Note 6)	3,059,178	6,386,527
Deferred revenue (Note 7)	2,168,838	2,262,625
Long term debt (Note 8)	2,468,154	1,776,826
Due to related party (Note 18)	11,979,715	6,317,820
	<u>19,675,885</u>	<u>16,743,798</u>
<b>Net Assets</b>	<u>208,553,656</u>	<u>191,333,207</u>
<b>Non-financial Assets</b>		
Prepaid expense	566,040	11,481,886
Inventory held for resale	302,206	302,206
Tangible capital assets (Note 9)	47,544,787	30,072,206
	<u>48,413,033</u>	<u>41,856,298</u>
<b>Accumulated Surplus (Note 10)</b>	<u>\$256,966,689</u>	<u>\$233,189,505</u>

Approved on behalf of the Band Council:



Deputy Chief Councilor



Chief Councilor

## Haisla Nation Council

### Exhibit B - Consolidated Statement of Change in Net Assets

For the year ended March 31	2020	2019
<b>Surplus - Exhibit C</b>	<b>\$ 24,665,936</b>	<b>\$ 50,347,854</b>
Purchases of tangible capital assets	(19,843,164)	(8,260,815)
Amortization of tangible capital assets	2,194,250	1,460,119
Disposal of tangible capital assets	13,000	288,000
Write-downs of tangible capital assets (phase 4)	619,947	-
Write-downs on accumulated amortization (phase 4)	(456,614)	-
	<u>(17,472,581)</u>	<u>(6,512,696)</u>
Change in prepaid expense	10,915,846	(10,993,480)
Change in inventory	-	(288,000)
Change in Ottawa Trust Funds	5,060	(15,934)
Change in restricted equity	(969,514)	(464,432)
Change in transfers	166,281	-
Change in replacement reserve	(90,579)	(21,003)
	<u>10,027,094</u>	<u>(11,782,849)</u>
<b>Increase in net assets</b>	<b>17,220,449</b>	<b>32,052,309</b>
<b>Net assets, beginning of year</b>	<b>191,333,207</b>	<b>159,280,898</b>
<b>Net assets, end of year</b>	<b>\$208,553,656</b>	<b>\$191,333,207</b>



Haisla Nation Council			
Exhibit C - Consolidated Statement of Operations			
For the year ended March 31	Budget	2020	2019
<b>Revenue</b>			
Indigenous Services Canada	\$ -	\$ 7,087,942	\$ 11,388,603
First Nations Health Authority	-	6,024,363	3,096,861
Fisheries and Oceans Canada	-	269,122	197,632
Province of British Columbia	-	1,072,115	1,610,301
Rio Tinto Alcan	-	468,681	539,131
Social Housing rental income	-	220,642	174,238
Canada Mortgage and Housing Corporation	-	177,700	145,007
Canada Post	-	19,940	19,940
Funds from Ottawa Trust - lease agreement	-	18,584,145	18,614,273
Rental income	-	99,390	93,885
First Nations Education Steering Committee	-	396,309	316,802
Interest and investment income	-	11,008,815	5,695,784
Investment income from business entities	-	11,994,236	836,459
Fees and other income	-	8,452,742	43,385,682
Property taxes	-	3,020,624	3,019,444
	-	68,896,766	89,134,042
<b>Expenses (note 20)</b>			
Haisla Forest/Range Agreement	-	4,988	1,862
Environment	-	308,969	317,815
Administration - ISC	-	3,868,540	3,071,747
Administration	-	3,826,975	1,513,459
Property Taxes	-	-	1,027
Social Assistance	-	689,996	785,998
Community Facilities and Services	-	3,158,536	2,930,469
Language and Culture	-	25,519	130
Education	-	3,009,297	3,550,047
Family Violence	-	10,051	7,239
Haisla Elementary	-	1,304,071	1,343,404
Economic Development	-	14,561,132	2,175,844
Haisla Gas Station	-	477,068	553,828
Community Health Services	-	2,780,374	2,515,645
Band Housing	-	429,750	208,219
Fisheries	-	610,146	657,682
Child Care	-	549,985	303,241
Department of Fisheries and Oceans	-	78,811	155,314
Land Use Administration	-	1,226,142	757,271
Land Management Code	-	263,555	172,179
Elder's Programs	-	219,291	201,103
Emergency Planning & Training	-	3,081	20,845
LNG Canada Capacity	-	1,637,062	1,578,805
HN DL 99	-	96,736	381,762
LNG Job Training	-	324,689	385,231
Fish Habitat Restoration Agreement	-	23,431	130,521
Life Skills Youth Transition	-	-	41,312
Coast Climate Change	-	28,756	39,617
Driving Initiative	-	-	290,576
Active Measures	-	259,672	224,871
LNGC Delay Funds	-	573,825	427,722
Enrich Low Income	-	8,613	19,767
Nutrition Low Income	-	66,497	40,599
Cultural Enrichment	-	-	1,940
Education Minor	-	227,329	176,822
Joint Venture Agreements	-	(4,780)	11,782,115
Capital Fund repairs and maintenance	-	196,457	584,842
Social Housing Fund	-	322,784	330,044
Haisla Investments	-	750,815	614,852
Haisla Capacity Development Society	-	4,935	848
Haisla Trust Society	-	951,564	86,299
Haisla Business Operations	-	49	1,109
Subtotal expenses	\$ -	\$ 42,874,711	\$ 38,384,022

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	2020	2019
<b>Revenue carried forward</b>	\$ -	\$ 68,896,766	\$ 89,134,042
<b>Expenses carried forward</b>	\$ -	\$ 42,874,711	\$ 38,384,022
Haisla Project GP Inc.	-	49	(34,943)
HN Gas Export Corp	-	49	1,740
Haisla (BC) Development	-	348,024	379,025
Cedar LNG Export Dev. Ltd.	-	548,462	12,438
Haisla (HL) Developments Ltd.	-	134,301	34,385
Cedar 1 LNG Export Ltd.	-	49	3,289
Cedar 2 LNG Export Ltd.	-	1,628	1,943
Cedar 3 LNG Export Ltd.	-	16,584	1,837
HN Gas Management Inc.	-	49	1,710
HN LNG LP	-	40	742
Haisla Driving School	-	306,884	-
	-	44,230,830	38,786,188
<b>Surplus for the year</b>	\$ -	\$ 24,665,936	\$ 50,347,854

## Haisla Nation Council

### Exhibit D - Consolidated Statement of Cash Flows

For the year ended March 31	2020	2019
<b>Operating activities</b>		
Cash receipts from various sources	\$ 42,909,558	\$ 79,816,358
Cash receipts from taxation	3,020,624	3,019,444
Cash paid to employees and suppliers	(14,597,621)	(39,445,423)
Interest paid	(1,148,111)	(889,834)
Payments from JV's and LP's	11,994,236	836,459
Interest received	2,083,206	4,161,675
<b>Cash flows from operating activities</b>	<b>44,261,892</b>	<b>47,498,679</b>
<b>Capital activity</b>		
Purchase of capital assets	(19,210,216)	(7,972,815)
<b>Investing activities</b>		
Change in investment in business entities	(10,177,766)	(423,201)
Purchase of investments	(14,414,631)	(45,767,363)
<b>Cash flows used in investing activities</b>	<b>(43,802,613)</b>	<b>(54,163,379)</b>
<b>Financing activity</b>		
Issuance of long term debt	(1,058,785)	(130,674)
Repayment of long term debt	367,457	228,813
<b>Cash flows from financing activity</b>	<b>(691,328)</b>	<b>98,139</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(232,049)</b>	<b>(6,566,561)</b>
<b>Cash and cash equivalents, beginning of year</b>	<b>4,693,196</b>	<b>11,259,757</b>
<b>Cash and cash equivalents, end of year</b>	<b>\$ 4,461,147</b>	<b>\$ 4,693,196</b>
<b>Represented by:</b>		
Cash	\$ 3,258,144	\$ 3,399,279
Restricted cash	1,203,003	1,293,917
	<b>\$ 4,461,147</b>	<b>\$ 4,693,196</b>

---

## **Haisla Nation Council**

### **Summary of Significant Accounting Policies**

**March 31, 2020**

---

#### **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 transactions 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, Haisla Driving School.

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, 2020**

---

**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. Unless the decline is determined to be temporary in nature.

**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, 2020**

---

<b>Revenue Recognition</b>	<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>
<b>Ottawa Trust Funds</b>	<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>
<b>Rents Receivable</b>	<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>
<b>Government Transfers</b>	<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>
<b>Deferred Revenue</b>	<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, 2020**

---

<b>Leased Assets</b>	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.
<b>Non-Financial Assets</b>	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.
<b>Trusts Under Administration</b>	Trusts administered by the Haisla Nation Council are not included in these financial statements.

# Haisla Nation Council

## Notes to Consolidated Financial Statements

**March 31, 2020**

### 1. Cash

	2020	2019
Operating	\$ 2,620,652	\$ 3,097,351
Gas Bar	132,062	132,306
Social Housing	11,814	103,252
Kuldo	394,946	-
Haisla Driving School	33,208	-
Cedar LNG	58,369	-
Haisla (HL) Developments Ltd.	7,093	66,370
	<b>\$ 3,258,144</b>	<b>\$ 3,399,279</b>

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

### 2. Restricted Cash

	2020	2019
Ottawa Trust revenue	\$ 9,406	\$ 4,346
Ottawa Trust capital	21,934	21,934
Social Housing Replacement reserve (PRE)	448,302	696,532
Social Housing Operating reserve (POST)	723,361	571,105
	<b>\$ 1,203,003</b>	<b>\$ 1,293,917</b>

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, 2020, the replacement reserve was overfunded by \$89,145 (2019 - \$183,223).



---

## Haisla Nation Council

### Notes to Consolidated Financial Statements

**March 31, 2020**

---

### 3. Accounts Receivable

Accounts receivable by program area is summarized as follows:

	<u>2020</u>	<u>2019</u>
Operating		
A/R - Trade	\$ 3,252,116	\$ 2,592,439
Rents receivable	15,261	9,483
Allowance for rents receivable	(15,261)	(9,483)
INAC receivable	95,650	99,467
	<u>3,347,766</u>	<u>2,691,906</u>
 Haisla (HL) Developments Ltd.	 159	 159
Haisla Capacity Development Society	5,028	-
Social Housing	115,531	56,596
	<u>\$ 3,468,484</u>	<u>\$ 2,748,661</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.

# Haisla Nation Council

## Notes to Consolidated Financial Statements

March 31, 2020

### 5. Investments

	2020		2019	
	Market Value	Book Value	Market Value	Book Value
<b>Investments</b>				
Cash	\$ 5,440,040	\$ 5,440,040	\$ 5,255,632	\$ 5,255,632
Fixed Income	33,227,547	32,131,977	32,317,606	31,512,093
Preferred Shares	1,996,956	2,111,330	2,060,060	2,139,795
Common Shares	38,909,894	40,500,766	59,476,210	55,284,587
Foreign Securities	220,024	289,012	634,942	534,860
Mutual Funds	13,833,438	14,450,518	5,556,781	5,582,009
American Depository Receipts	11,534,313	12,822,532	13,111,574	12,748,179
	<b>105,162,212</b>	<b>107,746,175</b>	118,412,805	113,057,155
<b>Kitamaat LNG Investments</b>				
Cash	1,978,055	1,978,055	316,845	316,845
Provincial Bonds	5,810,064	5,690,771	4,986,491	5,075,748
US Equities	3,218,631	3,384,347	4,169,485	3,540,247
Fund Units	24,387,088	24,687,794	27,757,544	25,006,829
Federal Government Bonds	11,811,116	11,087,154	15,023,234	11,384,671
Corporate Bonds	12,016,843	11,419,558	9,711,432	9,514,226
Canadian Equities	5,810,464	5,385,961	6,948,278	5,573,424
	<b>65,032,261</b>	<b>63,633,640</b>	68,913,309	60,411,990
<b>Legacy Trust</b>				
Cash	64,698	64,699	-	-
Fixed Income	4,408,745	4,291,666	4,366,973	4,263,376
Common Shares	3,172,989	3,033,428	4,999,420	4,090,685
Mutual Funds	3,013,765	3,127,418	1,307,251	1,341,955
Foreign Securities	41,839	52,958	80,433	63,968
American Depository receipts	1,589,332	1,255,183	2,053,445	1,634,065
	<b>12,291,368</b>	<b>11,825,352</b>	12,807,522	11,394,049
<b>Members' Trust</b>				
Fixed Income	6,201	6,201	6,201	6,201
	<b>6,201</b>	<b>6,201</b>	6,201	6,201
	<b>\$182,492,042</b>	<b>\$183,211,368</b>	\$200,139,837	\$184,869,395

Included in investments is \$ 11,000,866 of investments held for restricted equities consolidated in from Cedar LNG.

---

# Haisla Nation Council

## Notes to Consolidated Financial Statements

**March 31, 2020**

---

### 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>2020</u>	<u>2019</u>
Operating	\$ 3,013,602	\$ 6,374,610
Social Housing	12,852	9,917
Haisla Capacity	2,000	2,000
Haisla Driving School	30,724	-
	<u>\$ 3,059,178</u>	<u>\$ 6,386,527</u>

---

### 7. Deferred Revenue

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

	<u>2020</u>	<u>2019</u>
Operating Fund - Other		
Miscellaneous	\$ 2,168,838	\$ 2,262,625
	<u>\$ 2,168,838</u>	<u>\$ 2,262,625</u>

# Haisla Nation Council

## Notes to Consolidated Financial Statements

March 31, 2020

### 8. Long Term Debt

	2020	2019
<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 2020	\$ 814,941	\$ 866,899
Repaid during the year.	-	130,674
<u>Social Housing</u>		
All Nations Trust Company, mortgage, repayable in monthly instalments of \$4,391 including interest of 1.69% per annum, September 2044	1,058,786	-
All Nations Trust Company, mortgage, repaid during the year.	-	28,915
All Nations Trust Company, mortgage, repayable in monthly instalments of \$2,402 including interest at 1.14% per annum, maturing May, 2021	33,414	61,704
All Nations Trust Company, mortgage, repayable in monthly instalments of \$ 2,515 including interest at 1.65% per annum, maturing May 2022	63,969	92,890
All Nations Trust Company, mortgage, repayable in monthly instalments of \$1,675 including interest at 1.04% per annum, maturing July 2020	6,692	26,628
All Nations Trust Company, mortgage, repayable in monthly instalments of \$1,183 including interest at 1.14% per annum, maturing May 2026	84,590	97,755
All Nations Trust Company, mortgage, repayable in monthly instalments of \$1,725 including interest at 1.71% per annum, maturing July 2023	67,247	86,632
All Nations Trust Company, mortgage, repayable in monthly instalments of \$1,998 including interest at 1.44% per annum, maturing February 2027	157,955	179,519
All Nations Trust Company, mortgage, repayable in monthly instalments of \$2,284 including interest at 1.44% per annum, maturing February 2027	180,560	205,210
Subtotal	\$ 2,468,154	\$ 1,776,826

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

	2020	2019
Long term debt carried forward	\$ 2,468,154	\$ 1,776,826
Less: current portion	996,604	316,038
	\$ 1,471,550	\$ 1,460,788

---

## Haisla Nation Council

### Notes to Consolidated Financial Statements

**March 31, 2020**

---

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

2021	\$ 996,605
2022	151,178
2023	123,540
2024	106,486
2025	101,075
Thereafter	<u>989,270</u>
	<u>\$ 2,468,154</u>

---

# Haisla Nation Council

## Notes to Consolidated Financial Statements

March 31, 2020

### 9. Tangible Capital Assets

	2020		2019	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Land	\$ 3,473,978	\$ -	\$ 3,473,978	\$ -
Artwork	16,500	-	16,500	-
Assets under construction	2,489,957	-	2,489,957	-
Equipment				
Automotive equipment	2,732,406	1,793,071	2,149,840	1,508,398
Construction equipment	748,989	727,711	748,989	722,391
Other equipment	4,386,491	2,615,008	3,763,941	2,239,419
Communication equipment	10,375	10,326	10,375	10,305
Boating equipment	527,124	511,969	527,124	505,474
Buildings				
Community buildings	25,734,280	7,055,522	20,626,452	6,178,565
Band owned houses	221,924	101,010	221,924	94,646
Community buildings	129,258	53,365	129,258	50,203
Land improvements				
Infrastructure	3,179,068	1,070,793	3,179,068	1,027,767
Housing construction	588,263	119,754	588,263	95,095
	44,238,613	14,058,529	37,925,669	12,432,263
Social Housing	6,542,527	3,174,590	5,920,374	3,434,800
Haisla (HL) Developments Ltd				
Land	453,234	-	453,234	-
Assets under construction	870,555	-	870,555	-
	1,323,788	-	453,234	-
Haisla Driving School				
Vehicles	106,342	42,999	-	-
	1,430,130	42,999	453,234	-
Haisla Trust Society				
Land held in trust	397,135	-	397,135	-
Land	103,124	-	103,124	-
Building Kuldo Apartments	12,110,528	302,762	-	-
Building MK Bay	322,006	66,995	322,006	52,828
Other equipment	58,249	11,650	-	-
	12,991,042	381,407	822,265	52,828
	65,202,312	17,657,525	45,992,097	15,919,891
Net book value	\$ 47,544,787		\$ 30,072,206	

# Haisla Nation Council

## Notes to Consolidated Financial Statements

March 31, 2020

### 9. Tangible Capital Assets (continued)

**2020**

	Land	Artwork	Equipment	Buildings	Land Improvements	Assets under construction	Dock	Total
Cost, beginning of year	\$4,917,471	\$ 16,500	\$ 7,315,317	\$ 26,614,967	\$ 3,179,068	\$ 3,360,510	\$ 588,263	\$45,992,096
Additions		-	1,324,459	18,518,705	-	-	-	19,843,164
Disposals	-	-	(13,000)	-	-	-	-	(13,000)
Write-downs (phase 4)	(163,333)	-	-	(456,614)	-	-	-	(619,947)
Cost, end of year	\$4,754,138	\$ 16,500	\$ 8,626,776	\$ 44,677,058	\$ 3,179,068	\$ 3,360,510	\$ 588,263	\$65,202,313
Accumulated amortization, beginning of year	\$ -	\$ -	\$ 5,378,235	\$ 9,463,998	\$ 982,564	\$ -	\$ 95,093	\$15,919,890
Amortization	-	-	709,777	1,454,494	8,902	-	21,077	2,194,250
Write-downs (phase 4)	-	-	-	(456,614)	-	-	-	(456,614)
Accumulated amortization, end of year	\$ -	\$ -	\$ 6,088,012	\$ 10,461,878	\$ 991,466	\$ -	\$ 116,170	\$17,657,526
Net carrying amount, end of year	\$4,754,138	\$ 16,500	\$ 2,538,764	\$ 34,215,180	\$ 2,187,602	\$ 3,360,510	\$ 472,093	\$47,544,787

# Haisla Nation Council

## Notes to Consolidated Financial Statements

March 31, 2020

### 9. Tangible Capital Assets (continued)

2019

	Land	Artwork	Equipment	Buildings	Land Improvements	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, 2020**

---

**10. Accumulated Surplus**

	<u>2020</u>	<u>2019</u>
Unrestricted surplus	<b>\$167,348,874</b>	\$148,827,119
Restricted surplus	<b>57,002,588</b>	57,106,984
Equity in replacement reserves	<b>422,729</b>	513,308
Contributed surplus	<b>1,762,009</b>	1,757,912
Haisla (HL) contributed surplus	<b>419,000</b>	-
Equity in tangible capital assets	<b>30,011,489</b>	24,984,182
	<b><u>\$256,966,689</u></b>	<b><u>\$233,189,505</u></b>

# Haisla Nation Council

## Notes to Consolidated Financial Statements

**March 31, 2020**

### 11. Investments in Nation business entities

The Nation has investments in the following entities:

	2020	2019
<b>Limited Partnerships</b>		
Summit Helicopter Limited Partnership - 50.1%	\$ 2,728	\$ 1,199
Beachwood Apartments Limited Partnership - 50.1%	4,447,397	4,447,397
First Canada - 50.1%	244,200	-
Ledcor Limited Partnership - 50.1%	565,150	1,301,643
Progressive Ventures Limited Partnership - 50.1%	941,346	263,554
Ruskin Kitimaat Limited Partnership - 50.1%	1,096,997	(38,961)
SG Kitimaat Limited Partnership - 50.1%	151,586	180,980
Triton Limited Partnership - 50.1%	196,936	182,383
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%	85,527	41,082
Tetra Tech Limited Partnership - 50.1%	12,940	12,944
MK Bay Limited Partnership - 50.1%	1,638,674	1,330,757
Seaspan Haisla Limited Partnership - 50.1%	14,053	124,844
Servco Limited Partnership - 50.1%	519,982	324,444
Haisol Limited Partnership - 50.1%	(80,233)	143,916
Haisea Marine Services Limited Partnership - 51%	(4,320)	(2,856)
	<b>14,507,126</b>	<b>12,987,489</b>
<b>Joint Ventures</b>		
Atco Joint Venture - 50.1%	294,553	61,775
Medcor - 50.1%	(20)	-
Mammoet Joint Venture - 50.1%	-	19,562
International SOS - 50.1%	-	-
ESS Joint Venture - 51%	(41,486)	34,336
Bridgeman Joint Venture - 50.1%	80,805	54,164
Waste Management Joint Venture - 50.1%	5,817	1,847
Brock Canada Inc Joint Venture - 50.1%	50,795	50,755
North Pac Joint Venture - 51%	9,549,922	1,990,221
Civeo Joint Venture - 50.1%	402,634	157,800
Vertex Joint Venture - 50.1%	77,083	114,078
Securityguard Services Joint Venture - 50.1%	35,449	12,476
	<b>10,455,552</b>	<b>2,497,014</b>
<b>Haisla Trust Society</b>		
MK Bay	1,125,000	281,250
<b>Total investment in Nation business entities</b>	<b>\$ 26,087,678</b>	<b>\$ 15,765,753</b>

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, 2020

### 11. Investment in Nation business entities (continued)

						2020	2019
	Assets	Liabilities	Net Assets	Revenue	Expenses	Total Earnings (Loss)	Total Earnings (Loss)
<b>Limited Partnerships</b>							
Summit Helicopter Limited Partnership	\$ 64,051	\$ 64,428	\$ (377)	\$ 61,503	\$ 60,159	\$ 1,344	\$ 6,639
Beachwood Apartments 1 Limited Partnership	17,883,867	6,921,883	10,961,984	2,393,101	1,662,534	730,567	(679,464)
Ledcor Limited Partnership	63,165,556	61,774,376	1,391,180	151,307,871	150,044,364	1,263,507	462,411
Progressive Ventures Limited Partnership	4,169,563	2,656,755	1,512,808	9,764,429	8,516,989	1,247,440	(243,335)
Ruskin Kitamaat Limited Partnership	2,850,966	5,911,687	(3,060,721)	9,765,720	7,538,758	2,226,962	56,638
SG Kitamaat Limited Partnership	544,000	543,000	1,000	4,480,947	4,481,000	(53)	8,000
Triton Limited Partnership	-	1,232,012	(1,232,012)	12,429,983	11,197,971	1,232,012	852,083
HN Projects Limited Partnership	13,575,038	174,754	13,400,284	7,391,501	80,495	7,311,006	320,030
HN DL 99 LP	3,962,229	165,309	3,796,920	6,266	2,721	3,545	67,961
First Canada	6,354,514	6,116,723	237,791	8,138,080	7,814,899	323,181	-
Tetra Tech Limited Partnership	-	-	-	-	-	-	89
MK Bay Limited Partnership	5,513,167	961,370	4,551,797	2,862,499	2,554,521	307,978	235,120
Seaspan Haisla Limited Partnership	-	-	-	3,157,703	-	3,157,703	3,443,273
Servco Limited Partnership	-	-	-	14,434,210	-	14,434,210	-
Haisol Limited Partnership	-	-	-	447,189	419,967	27,222	238,331
Haisea Marine Services Limited Partnership	100	8,580	(8,480)	-	2,870	(2,870)	(2,000)

# Haisla Nation Council

## Notes to Consolidated Financial Statements

March 31, 2020

### 11. Investment in Nation business entities (continued)

						2020	2019
	Assets	Liabilities	Net Assets	Revenue	Expenses	Total Earnings (Loss)	Total Earnings (Loss)
<b><u>Joint Ventures</u></b>							
Atco Joint Venture	-	-	-	173,672,355	118,846,288	54,826,067	35,005
International SOS	-	-	-	6,768,143	-	6,768,143	-
Mammoet Joint Venture	-	-	-	5,608,903	-	5,608,903	(21,359)
ESS Joint Venture	-	-	-	10,762,852	11,065,078	(302,226)	(278,681)
Bridgeman Joint Venture	-	-	-	8,712,159	8,183,960	528,199	519,962
Waste Management Joint Venture	-	-	-	13,076,864	5,436,051	7,640,813	5,289
Brock Canada Joint Venture	-	-	-	4,010	112,252	(108,242)	(9,982)
North Pac Joint Venture	-	-	-	71,870,056	58,249,791	13,620,265	3,153,188
Civeo Joint Venture	-	-	-	61,604,517	-	61,604,517	-
Vertex Joint Venture	-	-	-	1,472,123	1,427,959	44,164	20,565
Medcor	-	-	-	1,309,984	-	1,309,984	-
Securityguard Services Joint Venture	-	-	-	1,387,898	-	1,387,898	400,200
	<b>\$ 118,083,051</b>	<b>\$ 86,530,877</b>	<b>\$ 31,552,174</b>	<b>\$ 582,890,866</b>	<b>\$ 397,698,627</b>	<b>\$ 185,192,239</b>	<b>\$ 8,589,963</b>

---

# Haisla Nation Council

## Notes to Consolidated Financial Statements

March 31, 2020

---

### 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, 2019 - March 31, 2020
Beachwood Apartments 1 Limited Partnership	April 1, 2019 - March 31, 2020
Ledcor Limited Partnership	April 1, 2019 - March 31, 2020
Progressive Ventures Limited Partnership	April 1, 2019 - March 31, 2020
Ruskin Kitimaat Limited Partnership	April 1, 2019 - March 31, 2020
SG Kitimaat Limited Partnership	April 1, 2019 - March 31, 2020
Triton Limited Partnership	April 1, 2019 - March 31, 2020
HN Projects Limited Partnership	April 1, 2019 - March 31, 2020
HN DL 99 LP	April 1, 2019 - March 31, 2020
CIC Limited Partnership	April 1, 2019 - March 31, 2020
Tetra Tech Limited Partnership	April 1, 2019 - March 31, 2020
MK Bay Limited Partnership	April 1, 2019 - March 31, 2020
Seaspan Haisla Limited Partnership	April 1, 2019 - March 31, 2020
Servco Limited Partnership	April 1, 2019 - March 31, 2020
Haisol Limited Partnership	April 1, 2019 - March 31, 2020
Haisea Marine Services Limited Partnership	April 1, 2019 - March 31, 2020

#### Joint Ventures

Atco Joint Venture	April 1, 2019 - March 31, 2020
Haisla Orica Kitimat Joint Venture	April 1, 2019 - March 31, 2020
Mammoet Joint Venture	April 1, 2019 - March 31, 2020
Kuehna & Nagel Joint Venture	April 1, 2019 - March 31, 2020
ESS Joint Venture	April 1, 2019 - March 31, 2020
Bridgeman Joint Venture	April 1, 2019 - March 31, 2020
Waste Management Joint Venture	April 1, 2019 - March 31, 2020
Brock Canada Joint Venture	April 1, 2019 - March 31, 2020
North Pac Joint Venture	April 1, 2019 - March 31, 2020
Civeo Joint Venture	April 1, 2019 - March 31, 2020
Vertex Joint Venture	April 1, 2019 - March 31, 2020
Securityguard Services Joint Venture	April 1, 2019 - March 31, 2020

---

# Haisla Nation Council

## Notes to Consolidated Financial Statements

**March 31, 2020**

---

### **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, 2020, 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, 2020, the Replacement Reserve was overfunded by \$89,145 (2019 - \$183,223).

---

## Haisla Nation Council

### Notes to Consolidated Financial Statements

**March 31, 2020**

---

#### **15. Commitments and Contingent Liabilities**

Haisla Nation has guaranteed loans for Nation members for the year ended March 31, 2020 in the amount of \$56,281 (2019 - \$64,472). 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:

	<b>2020</b>
2021	11,820
2022	2,955
	<u>14,775</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 \$269,628 (2019 - \$255,501).

---

# Haisla Nation Council

## Notes to Consolidated Financial Statements

**March 31, 2020**

---

### **17. 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.

---

### **18. Due to Related Party**

The advances from HN Projects Limited Partnership and HN DL 99 Limited Partnership, are unsecured, non-interest bearing with no specific terms of repayment.

---

### **19. COVID-19**

On January 30, 2020, the World Health Organization ("WHO") announced a global health emergency because of a new strain of coronavirus (the "COVID-19 outbreak") and the risks to the international community as the virus spreads globally beyond its point of origin. In March 2020, the WHO classified the COVID-19 outbreak as a pandemic based on the rapid increase in exposure globally.

As the impacts of COVID-19 continue, there could be further impact on the Band, its funders and its business entities. The Band has continued to deliver services during this pandemic through a variety of means, whether face-to-face or utilizing technology as the Band was deemed an essential service. Management is actively monitoring the effect on it's financial condition, liquidity, operations and workforce. Given the daily evolution of the COVID-19 outbreak and the global responses to curb its spread, the Band is not able to fully estimate the effects of the COVID-19 outbreak on its results of operations, financial condition, or liquidity at this time.



# Haisla Nation Council

## Notes to Consolidated Financial Statements

**March 31, 2020**

### 20. Expenses by Type

	2020	2019
Advertising	\$ 12,836	\$ 23,996
Amortization	2,194,250	1,460,119
Automotive	177,384	211,282
Bad debts	9,222	255,941
Bank charges	1,085,838	835,710
Capital Fund repairs and maintenance	196,457	584,844
COLA payments	10,769,932	11,582,000
Contract services	3,768,912	1,995,948
Council remuneration	463,859	369,130
Insurance	395,166	256,716
Management fee	197,447	-
Interest	63,092	53,752
Local education agreement	523,483	642,322
Materials and supplies	2,130,773	2,261,233
Office and miscellaneous	774,192	469,784
Patient transportation	595,213	522,641
Professional fees	2,524,955	1,694,122
Program expenses	3,087,417	1,571,682
Repairs and maintenance	377,413	331,448
Rent	347,975	376,460
Replacement reserve	30,756	48,221
Salaries and benefits	8,651,690	7,940,912
Social assistance	493,971	555,948
Student allowance and transportation	2,173,575	2,380,099
Telephone	187,881	151,433
Travel and accommodation	1,195,819	848,119
Training	1,505,525	1,122,428
Utilities	295,797	239,898
	<b>\$ 44,230,830</b>	<b>\$ 38,786,188</b>

---

# Haisla Nation Council

## Notes to Consolidated Financial Statements

March 31, 2020

---

### 21. 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, 2020

### 23. Segment Disclosure (continued)

#### 2020

	Administration	Community Welfare	Operations & Maintenance	Education	Economic Development	Health Services	Social Housing	Natural Resource Management	Treaty Related Matters	Capital	Total
<b>Revenue</b>											
ISC	\$ 938,544	\$ 1,316,789	\$ 287,938	\$ 2,684,872	\$ 115,463	\$ -	\$ -	\$ -	\$ -	\$ 1,744,336	\$ 7,087,942
Other	21,132,286	-	179,940	1,571,939	27,187,771	2,390,372	425,713	1,085,414	3,020,624	4,814,765	61,808,824
	22,070,830	1,316,789	467,878	4,256,811	27,303,234	2,390,372	425,713	1,085,414	3,020,624	6,559,101	68,896,766
<b>Expenses</b>											
Payroll	3,469,413	266,331	913,446	1,596,260	589,577	1,281,098	110,314	581,066	-	1,350	8,808,855
Other	9,717,818	523,484	601,388	3,577,598	15,760,152	1,461,997	445,815	971,515	-	195,106	33,254,873
Amortization	328,581	-	1,642,117	-	-	-	196,404	-	-	-	2,167,102
	13,515,812	789,815	3,156,951	5,173,858	16,349,729	2,743,095	752,533	1,552,581	-	196,456	44,230,830
<b>Surplus (deficit)</b>	\$ 8,555,018	\$ 526,974	\$ (2,689,073)	\$ (917,047)	\$ 10,953,505	\$ (352,723)	\$ (326,820)	\$ (467,167)	\$ 3,020,624	\$ 6,362,645	\$ 24,665,936

#### 2019

	Administration	Community Welfare	Operations & Maintenance	Education	Economic Development	Health Services	Social Housing	Natural Resource Management	Treaty Related Matters	Capital	Total
<b>Revenue</b>											
ISC	\$ 972,346	\$ 1,282,412	\$ 279,307	\$ 2,632,596	\$ 113,709	\$ -	\$ 170,130	\$ 225,360	\$ -	\$ 5,712,743	\$ 11,388,603
Other	58,746,735	-	84,670	1,722,837	13,321,098	2,484,619	368,320	884,097	3,019,444	1,357,798	81,989,618
Business Entities	-	-	-	-	(4,244,179)	-	-	-	-	-	(4,244,179)
	59,719,081	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	89,134,042
<b>Expenses</b>											
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
<b>Surplus (deficit)</b>	\$ 50,721,282	\$ 393,720	\$ (2,564,880)	\$ (1,096,928)	\$ (6,249,934)	\$ 78,411	\$ 188	\$ (438,118)	\$ 3,018,414	\$ 6,485,699	\$ 50,347,854