

Nooaitch Indian Band
Consolidated Financial Statements
For the year ended March 31, 2018

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Contents

Management's Responsibility for Financial Reporting	3
Independent Auditor's Report	4 - 6
Financial Statements	
Exhibit A - Consolidated Statement of Financial Position	7
Exhibit B - Consolidated Statement of Change in Net Debt	8
Exhibit C - Consolidated Statement of Operations	9 - 10
Exhibit D - Consolidated Statement of Cash Flows	11
Notes to Consolidated Financial Statements	12 - 28

Management's Responsibility for Financial Reporting

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

The consolidated financial statements have been prepared by management in accordance with Canadian public sector accounting standards. Consolidated 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 Nooaitch Indian Band maintains systems of internal accounting and administrative controls, consistent with reasonable cost. Such systems are designed to provide reasonable assurance that the consolidated financial information is relevant, reliable and accurate and the Band's assets are appropriately accounted for and adequately safeguarded.

The Nooaitch Indian Band 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 the Chief and Council.

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 consolidated financial reporting issues, to satisfy themselves that each party is properly discharging their responsibilities, the consolidated financial statements and the external auditor's report. The Chief and Council takes this information into consideration when approving the consolidated financial statements for issuance to the Members. The Chief and Council also appoint 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



Councilor



Independent Auditor's Report

To the Chief and Council of Nooaitch Indian Band

Qualified Opinion

We have audited the accompanying financial statements of Nooaitch Indian Band (the Band), which comprise the consolidated statement of financial position as at March 31, 2018, and the consolidated statement of operations, consolidated statement of changes in net debt and consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the effects of the matters described in the Basis for Qualified Opinion paragraph, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of Nooaitch Indian Band as at March 31, 2018, and its results of operations, its change in net financial debt, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Qualified Opinion

As noted in 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, 2018 and 2017, the related amortization expense and annual surplus for the year ended March 31, 2018 and 2017 and equity in tangible capital assets as at April 1 and March 31 for both the 2018 and 2017 years.

Nooaitch Indian Band operates rental housing and has balances receivable for outstanding rents of \$135,129 (2017 - \$141,246) and has balances receivable from Band Members of \$68,192, the valuation of which is not susceptible to satisfactory audit verification. Accordingly, the verification of rents receivable and receivables from Band Members was limited to the amounts recorded in the records of the Band and we were not able to determine whether any adjustment might be necessary to those accounts receivable, and rents receivable as at March 31, 2018 and 2017, bad debt expense and annual surplus for the years ended March 31, 2018 and 2017, and accumulated surplus as at April 1 and March 31 for both the 2018 and 2017 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 Band 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 qualified opinion.



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

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

In preparing the consolidated financial statements, management is responsible for assessing the Band'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 Band's financial reporting process.

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

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

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group'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 consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Band to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the 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.

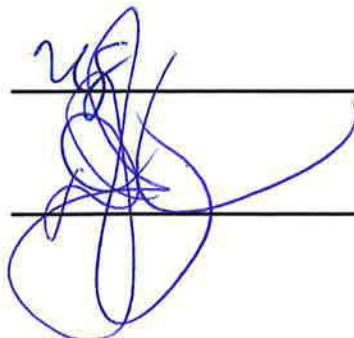
Chartered Professional Accountants

Kamloops, British Columbia
October 2, 2020

Nooaitch Indian Band
Exhibit A - Consolidated Statement of Financial Position

As at March 31	2018	2017
Financial Assets		
Cash (Note 3)	\$ 1,046,729	\$ 481,487
Restricted cash (Note 4)	180,881	15,902
Accounts receivable (Note 5)	221,370	287,826
Rents receivable (Note 6)	162,610	135,129
Portfolio investments (Note 7)	1,110	1,110
Investments in government business enterprises (Note 8)	727,025	887,230
	<u>2,339,725</u>	<u>1,808,684</u>
Liabilities		
Accounts payable and accrued liabilities (Note 9)	1,172,812	972,136
Deferred revenue (Note 10)	390,644	162,342
Long-term debt (Note 12)	2,014,075	2,148,021
	<u>3,577,531</u>	<u>3,282,499</u>
Net Debt	<u>(1,237,806)</u>	<u>(1,473,815)</u>
Non-financial Assets		
Prepaid expenses	15,333	20,268
Tangible capital assets (Note 13)	6,185,826	6,364,026
	<u>6,201,159</u>	<u>6,384,294</u>
Accumulated surplus (Note 14)	<u>\$ 4,963,353</u>	<u>\$ 4,910,479</u>

Approved on behalf of the Band Council:



Chief

Councilor

Nooaitch Indian Band

Exhibit B - Consolidated Statement of Change in Net Debt

	2018	2017
Annual surplus (deficit)	\$ 81,381	\$ 339,102
Acquisition of tangible capital assets	(50,015)	(48,237)
Amortization of tangible capital assets	228,215	220,659
	259,581	511,524
Change in prepaid expenses	4,937	(15,902)
Change in Ottawa Trust	573	(74,648)
Change in reserves	164,980	(162,635)
Change in investments in business entities	(194,062)	128,009
	(28,509)	(109,274)
Change in net debt	236,009	386,348
Net debt, beginning of year	(1,473,815)	(1,860,163)
Net debt, end of year	\$ (1,237,806)	\$ (1,473,815)

Nooaitch Indian Band
Exhibit C - Consolidated Statement of Operations

	2018	2017
Revenue		
Indigenous Services Canada	\$ 1,743,676	\$ 1,243,158
ISETS	-	23,832
CMHC - RRAP and Retrofit	320,007	193,696
CMHC Subsidy	74,680	83,771
Cost Recoveries	3,166	(86,874)
Donations	2,000	-
Contracts	3,530	24,123
Province of BC	454,633	-
Rental income	169,510	173,770
Investment - government busine	243,676	193,077
Other income	16,597	291,117
Ottawa Trust revenue	-	46,500
Aspen Planers	-	19,719
FNESS	-	105,576
NLX Trust Revenues	1,000	268,111
BC Hydro	2,000	30,210
	-	-
	3,034,475	2,609,786
Expenses (Note 17)		
Band Fund	-	48,343
Youth Centre Fund	2,898	3,108
BCCI Negotiation	1,737	101,189
ILM Project Fund	838	3,838
NRT K-12 Education Grant	2,499	3,501
New Horizons	-	774
HVC - Capacity	1,431	1,431
Band Support Fund	313,751	423,502
Indian Registry	6,040	5,698
Economic Development Program	564	18,342
Band Employee Benefits Fund	-	28,127
Social Housing Fund	192,925	212,127
Chief and Council Fund	78,979	95,938
P&ID Strategic Plan Fund	30,919	1,000
Emergency Management	897,205	9,979
Land Management Fund	59,259	11,725
ASETS - TWS38218059	-	959
Stuwix Fund	2,590	2,410
National Child Benefit - ISC	-	27,736
Subtotal Expenses	\$ 1,591,635	\$ 999,727

Nooaitch Indian Band

Exhibit C - Consolidated Statement of Operations - continued

	2018	2017
Revenue carried forward	\$ 3,034,475	\$ 2,609,786
Expenses carried forward	1,591,635	999,727
BC Hydro	3,791	-
CMHC RRAP	155,735	146,105
Temporary Office Building	14,124	14,124
Education Fund	54,505	40,355
Local Education Agreement	364,892	203,945
Post Secondary Program Fund	129,886	83,058
Maintenance Fund	330,352	295,241
ASETS - 17042	-	23,186
Safe Water Operations	7,800	-
FNESS - On-Reserve Fuel Reduction	59	96,992
Band Contracts	-	4,025
Fourplex Fund	6,001	6,182
Robert Creek	2,610	2,610
Aspen Planers Fund	(600)	19,063
ISSET Fund	-	808
2830 Petit Creek Road Fund	9,252	5,094
First Nations Health	1,000	6,000
Youth's Council Fund	-	1,350
Water Systems Maintenance	-	19,017
Social Development - ISC	286,066	226,687
Education - Client Supports	13,158	17,943
BCCI 2014-2015	2,698	2,549
Family Violence Protection - ISC	2,362	-
NEB National Energy Board	-	597
Expenses (recovery) paid in cap	(22,232)	56,026
	2,953,094	2,270,684
Annual surplus	\$ 81,381	\$ 339,102

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

Nooaitch Indian Band
Exhibit D - Consolidated Statement of Cash Flows

For the year ended	2018	2017
Cash provided by (used for)		
Operating activities		
Cash receipts from funding agreements and contracts	\$ 3,058,078	\$ 2,455,058
Cash paid to employees	(457,559)	(616,599)
Cash paid to suppliers	(2,100,235)	(1,401,870)
Cash flows from operating activities	500,284	436,589
Capital activities		
Acquisitions of tangible capital assets	(50,015)	(48,237)
Investing activities		
Change in equity in Ottawa Trust	573	(74,648)
Change in replacement reserve	169,649	8,834
Investment income received	243,676	190,937
Cash flows from investing activities	413,898	125,123
Financing activities		
Repayment of long term debt	(133,946)	(143,439)
Net increase in cash	730,221	370,036
Cash, beginning of year	497,389	127,353
Cash, end of year	\$ 1,227,610	\$ 497,389
Represented by:		
Cash	\$ 1,046,729	\$ 481,487
Restricted cash	180,881	15,902
	\$ 1,227,610	\$ 497,389

Nooaitch Indian Band

Notes to Consolidated Financial Statements

March 31, 2018

1. Summary of Significant Accounting Policies

Basis of Presentation

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

Reporting Entity and Principles of Financial Reporting

The Nooaitch Indian Band reporting entity includes the Nooaitch Indian Band government and all related entities which are accountable to the Nooaitch Indian Band and are either owned or controlled by the Nooaitch Indian Band.

Incorporated business entities and government partnerships, which are owned or controlled by the Nooaitch Indian Band 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 8. These include:

- Stuwix Resources Joint Venture (12.5%)
- 0538053 BC Ltd. (100%)
- Nicola Valley Indian Services Association

In order to present the results of operations for each specific fund, transactions amongst funds have not necessarily been eliminated on the individual schedules.

Revenue Recognition

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.

Rental revenue is recognized when a tenant commences occupancy and rent is due. The Band retains all benefits and risks of ownership of its property and, therefore, accounts for leases with its tenants as operating leases.

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.

All other revenue is recognized in the period in which the events that give rise to the revenue occurs.

Ottawa Trust Funds

The Band uses the accrual method of accounting for Ottawa Trust Fund revenues earned in the Fund. Trust monies are recognized in revenue of the Band upon withdrawal from the Ottawa Trust Fund.

Nooaitch Indian Band Notes to Financial Statements

March 31, 2018

1. Summary of Significant Accounting Policies (continued)

Deferred Revenue

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 consolidated statement of financial position. The revenue is recognized in the consolidated statement of operations in the year in which it is used for the specified purpose.

Investments

The Band accounts for its portfolio investments in All Nations Trust Company, which are recorded at cost, unless the market value of the 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 against tangible capital assets and equity in tangible capital assets on a straight-line basis at the following rates:

Automotive equipment	5 years
Buildings and improvements	25 years
Furniture and equipment	5 years
Infrastructure	50 years

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 completed and available for use.

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.

Nooaitch Indian Band Notes to Financial Statements

March 31, 2018

1. Summary of Significant Accounting Policies (continued)

Impairment of Long-lived Assets

In the event that fact and circumstances indicate that the Band's long-lived assets may be impaired, an evaluation of recoverability would be performed. Such an evaluation entails comparing the estimated future undiscounted cash flows associated with the asset to the asset's carrying amount to determine if a write-down to market value or discounted cash flow value is required. The Band considers that no circumstances exist that would require such an evaluation.

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.

Financial Instruments

The Band recognizes and measures financial assets and financial liabilities on the consolidated statement of financial position when it becomes a party to the contractual provisions of a financial instrument. All transactions related to financial instruments are recorded on a trade date or settlement date basis. All financial instruments are measured at fair value on initial recognition. Financial instruments are subsequently measured at amortized cost as the Band has not entered into any derivative contracts and it does not hold any investments in equity instruments quoted on the active market. Since no financial instruments are measured at fair value after initial recognition, a statement of remeasurement gains and losses has not been presented in these financial statements.

Nooaitch Indian Band

Notes to Financial Statements

March 31, 2018

2. Economic Dependence

The Band receives a significant portion of its revenue pursuant to a funding arrangement with Indigenous Services Canada ("ISC").

3. Cash

	2018	2017
Operations	\$ 948,024	\$ 384,805
Social Housing	98,705	96,682
	<u>\$ 1,046,729</u>	<u>\$ 481,487</u>

The Band has a Royal Bank of Canada business operating line of credit that is secured by a general security agreement. The authorized credit limit is \$50,000, at a rate of prime plus 1.0%. As of March 31, 2018, the Band had not drawn on this facility.

4. Restricted Cash

	2018	2017
Ottawa Trust Funds	\$ 1,660	\$ 1,087
Housing replacement reserve fund	157,899	8,855
Housing operating reserve fund	21,322	5,960
	<u>\$ 180,881</u>	<u>\$ 15,902</u>

The Ottawa trust accounts arise from monies derived from capital or revenue sources as outlined in Section 62 of the *Indian Act*. These funds are held in trust in the 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 Band is permitted to use its revenue for any purpose that will promote the general progress and welfare of the Band and Band 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.

The Housing restricted cash is derived under the terms of the agreement with Canada Mortgage and Housing Corporation ("CMHC"), the account is to be credited annually. These funds along with accumulated interest, must be held in a separate bank account and/or invested only in accounts or instruments insured by the Canada Deposit Insurance Corporation.

Nooaitch Indian Band

Notes to Financial Statements

March 31, 2018

5. Accounts Receivable

Accounts receivable by program area is summarized as follows:

	<u>2018</u>	<u>2017</u>
Operating Fund		
Trade accounts receivable	\$ 251,876	\$ 324,250
Allowance for doubtful accounts	(38,985)	(44,260)
	<u>\$ 212,891</u>	<u>\$ 279,990</u>
Accounts receivable - Social Housing	8,479	7,836
	<u>\$ 221,370</u>	<u>\$ 287,826</u>

Included in trade accounts receivable is \$ 68,192 owing from Band Members.

6. Rents Receivable

Rents receivable are the accumulated arrears and vary in amount based on the unit being rented.

	<u>2018</u>	<u>2017</u>
Rent receivable	\$ 162,610	\$ 135,129

7. Portfolio Investments

Rents receivable are the accumulated arrears and vary in amount based on the unit being rented.

	<u>2018</u>	<u>2017</u>
All Nations trust Company	\$ 1,110	\$ 1,110
16,860 class A common shares		

Nooaitch Indian Band Notes to Financial Statements

March 31, 2018

8. Investments in Government Business Enterprises

	2018	2017
Stuwix Resources Joint Venture	\$ 427,787	\$ 580,220
Investment in 0538053 BC Ltd.	204,408	212,180
Nicola Valley Indian Services Association	94,830	94,830
	\$ 727,025	\$ 887,230

Nooaitch Indian Band holds a 100% interest in 0538053 BC Ltd, which has a 25% ownership in Esh-kn-am Joint Venture and also a 25% interest in 9110 Investments Ltd.

Summary of the financial statements of investments accounted for using modified equity for the year ended March 31, 2018 are as follows:

	Stuwix Resources Joint Venture	Esh-kn-am Joint Venture	9110 Investments Ltd	Nicola Valley Indian Services Association	2018
Balance Sheet					
Current assets	\$ 11,089,181	\$ 612,330	\$ 5,201	\$ 4,971	\$ 11,711,683
Investments	-	56,534	1,551	-	58,085
Capital assets	53,861	83,553	46,629	306,624	490,667
Other assets	-	2	-	190,787	190,789
	\$ 11,143,042	\$ 752,419	\$ 53,381	\$ 502,382	\$ 12,451,224
Current liabilities	\$ 4,511,992	\$ 123,615	\$ 158,589	\$ 7,721	\$ 4,801,917
Long term debt	-	-	-	1,249,134	1,249,134
Reforestation obligation	1,558,745	-	-	-	1,558,745
Share capital	-	-	1	-	1
Equity	5,072,305	628,804	(105,209)	(754,473)	4,841,427
	\$ 11,143,042	\$ 752,419	\$ 53,381	\$ 502,382	\$ 12,451,224
Statement of Operations					
Revenue	\$ 2,963,270	\$ 520,899	-	\$ 177,538	\$ 3,661,707
Expenses	1,013,863	551,987	12,788	174,286	1,752,924
Net Loss	1,949,407	(31,088)	(12,788)	3,252	1,908,783
Equity, beginning of year	3,122,898	659,892	(92,421)	(757,725)	2,932,644
Equity, end of year	\$ 5,072,305	\$ 628,804	\$ (105,209)	\$ (754,473)	\$ 4,841,427

Nooaitch Indian Band

Notes to Financial Statements

March 31, 2018

9. Accounts Payable

	2018	2017
Operating Fund	\$ 920,152	\$ 736,580
Social Housing Fund	252,660	235,556
	\$ 1,172,812	\$ 972,136

10. Deferred Revenue

Deferred revenue represents amounts received that relate to a subsequent period. A breakdown of deferred revenue is as follows:

	2018	2017
Operating Fund		
Indigenous Services Canada		
West Coast Energy	\$ 108,848	\$ 19,976
Community Buidlings	130	-
Fire Protection	62,120	-
Emergency response	171,515	-
	342,613	19,976
Other	48,031	142,366
	\$ 390,644	\$ 162,342

11. Social Housing Reserves

Under the terms of the agreement with CMHC, the Replacement Reserve account is to be credited in the amount of \$3,000 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 CMHC. Withdrawals are credited to interest first and then principal. The replacement reserve is underfunded by \$22,486 at March 31, 2018.

Nooaitch Indian Band
Notes to Financial Statements

March 31, 2018

12. Long Term Debt

	<u>2018</u>	<u>2017</u>
Ally Credit Canada Ltd, loan repayable in monthly instalments of \$842 including interest at 5.94%, secured by specific equipment, maturing April 2017	- \$	838
Royal Bank of Canada demand loan, repayable in monthly instalments of \$1,540 including interest at 4.95%, secured by specific assets, maturing June 2038	234,566	241,207
RCAP Leasing Inc., capital lease, repayable in monthly instalments of \$2,140 including interest at 3.74%, secured by specific equipment, maturing December 2018	17,020	42,700
	<u>\$ 251,586</u>	<u>\$ 284,745</u>

Nooaitch Indian Band Notes to Financial Statements

March 31, 2018

12. Long Term Debt (Continued)

	2018	2017
Balance forward	\$ 251,586	\$ 284,745
<u>Social Housing</u>		
All Nations Trust Company mortgage repayable in monthly instalments of \$2,076 including interest at 2.35% per annum, renewal date of September 2018, maturing July 2028, secured by a Ministerial Guarantee	\$ 228,489	\$ 247,814
All Nations Trust Company, mortgage repayable in monthly installments of \$2,903 including interest at 1.53% per annum, renewal date of December 2022, maturing October 2032, secured by Ministerial Guarantee	455,361	482,802
All Nations Trust Company, mortgage repayable in monthly installments of \$3,098 including interest at 1.14% per annum, renewal date of June 2021, maturing June 2031, secured by Ministerial Guarantee	411,002	439,581
All Nations Trust Company mortgage, repayable in monthly instalments of \$2,907.36 including interest at 1.39% per annum, renewal date of June 2020, maturing June 2040, secured by Ministerial Guarantee	667,637	693,079
Total long term debt	2,014,075	2,148,021
Less amount due within one year	738,589	823,848
	\$ 1,275,486	\$ 1,324,173

Assuming payment is not demanded, regular principal repayments due in the next five years are as follows:

2019	\$ 738,589
2020	55,358
2021	329,645
2022	319,645
2023	319,645
	\$ 1,762,882

Nooaitch Indian Band
Notes to Financial Statements

March 31, 2018

13. Tangible Capital Assets

	2018		2017	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Automotive equipment	\$ 70,653	\$ 63,349	\$ 70,653	\$ 63,349
Assets under capital lease	187,247	132,370	187,247	132,370
Buildings	819,329	283,778	819,329	283,778
Furniture and equipment	278,512	278,464	228,497	151,034
Infrastructure	4,055,626	943,627	4,055,626	943,627
	5,411,367	1,701,588	5,361,352	1,574,158
Social Housing Buildings	3,502,855	1,026,808	3,502,855	926,023
	\$ 8,914,222	\$ 2,728,396	\$ 8,864,207	\$ 2,500,181
Net book value		\$ 6,185,826		\$ 6,364,026

Nooaitch Indian Band
Notes to Financial Statements

March 31, 2018

13. Tangible Capital Assets (continued)

2018

	Automotive equipment	Assets under capital lease	Buildings	Furniture and equipment	Infrastructure	Social housing	Construction in progress	Total
Cost, beginning of year	\$ 70,653	\$ 187,247	\$ 819,329	\$ 228,497	\$ 4,055,626	\$ 3,502,855	\$ -	\$8,864,207
Additions	-	-	-	50,015	-	-	-	50,015
Transfers	-	-	-	-	-	-	-	-
Cost, end of year	70,653	187,247	819,329	278,512	4,055,626	3,502,855	-	8,914,222
Accumulated amortization, beginning of year	63,349	132,370	283,778	151,034	943,627	926,023	-	2,500,181
Amortization	-	-	-	127,430	-	100,785	-	228,215
Accumulated amortization, end of year	63,349	132,370	283,778	278,464	943,627	1,026,808	-	2,728,396
Net carrying amount, end of year	\$ 7,304	\$ 54,877	\$ 535,551	\$ 48	\$ 3,111,999	\$ 2,476,047	\$ -	\$6,185,826

Nooaitch Indian Band
Notes to Financial Statements

March 31, 2018

13. Tangible Capital Assets (continued)

								2017
	Automotive equipment	Assets under capital lease	Buildings	Furniture and equipment	Infrastructur e	Social Housing	Construction in progress	Total
Cost, beginning of year	\$ 70,653	\$ 187,247	\$ 782,718	\$ 216,871	\$ 4,055,626	\$ 502,855	\$ -	\$ 8,815,970
Additions	-	-	36,611	11,626	-	-	-	48,237
Cost, end of year	70,653	187,247	819,329	228,497	4,055,626	502,855	-	8,864,207
Accumulated amortization, beginning of year	60,915	108,528	265,178	138,758	878,862	827,281	-	2,279,522
Amortization	2,434	23,842	18,600	12,276	64,765	98,742	-	220,659
Accumulated amortization, end of year	63,349	132,370	283,778	151,034	943,627	926,023	-	2,500,181
Net carrying amount, end of year	\$ 7,304	\$ 54,877	\$ 535,551	\$ 77,463	\$ 3,111,999	\$ 576,832	\$ -	\$ 6,364,026

Nooaitch Indian Band

Notes to Financial Statements

March 31, 2018

14. Accumulated Surplus

Accumulated surplus of the Band is comprised of the following:

	2018	2017
Contributed surplus - Post 1997	\$ 892,552	\$ 728,150
Equity in investments in business entities	930,855	888,340
Equity in Ottawa Trust	1,660	1,087
Equity in tangible capital assets	3,425,033	3,502,449
Unrestricted deficit	(286,747)	(209,547)
	<u>\$ 4,963,353</u>	<u>\$ 4,910,479</u>

15. Employee Benefits

The Band has a defined contribution plan providing pension benefits to certain employees. The pension cost charge represents contributions payable by the Band to the plan and amount to \$8,563 (2017 - \$10,310).

16. 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 Nation, its funders and its businesses. The Nation has continued to deliver services during this pandemic through a variety of means, whether face-to-face or utilizing technology as the Nation was deemed an essential service. Management is actively monitoring the effect on its financial condition, liquidity, operations, and workforce. As a result, management anticipates a temporary decline in revenue earned. Given the daily evolution of the COVID-19 outbreak and the global responses to curb its spread, the Nation 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.

Nooaitch Indian Band
Notes to Financial Statements

March 31, 2018

17. Expenses by Object

	2018	2017
Advertising	-	2,140
Amortization	228,215	220,659
Automotive	\$ 9,799	\$ 11,686
Bad debts	-	17,029
Bank charges	10,520	15,692
Community support	4,928	6,705
Contract services	375,719	49,466
Construction costs	-	15,225
Donation	-	1,500
Election expenses	5,481	7,464
Equipment rental	38,773	18,253
Expenses paid (recovery) in capi	(22,232)	56,026
Honoraria	66,940	66,562
Insurance	41,411	55,829
Interest	11,146	12,447
Interest on long-term debt	27,557	29,552
Licences and dues	3,687	4,621
Local education agreement	369,572	217,841
Materials and supplies	47,959	43,853
Meetings	11,102	29,956
Office and miscellaneous	17,031	33,094
Professional fees	198,234	86,579
Program expenses	49,228	40,409
Repairs and maintenance	433,569	249,863
Replacement reserve	23,140	23,140
Social assistance	201,440	159,980
Student allowance	85,127	47,718
Telephone	43,911	31,681
Training	68,595	5,563
Travel and accommodation	68,248	37,469
Utilities	76,435	56,083
Wages and benefits	457,559	616,599
	\$ 2,953,094	\$ 2,270,684

Nooaitch Indian Band

Notes to Financial Statements

March 31, 2018

18. Segment Disclosure

The Nooaitch Indian Band 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 Band itself and cannot be directly attributed to a 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 Band's assets, infrastructure and common property.

Education

This service area provides educational services through elementary, secondary and 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 Band'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.

Natural Resource Management

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

Capital

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

Social Housing

This service area provides for social housing to the Members.

Nooaitch Indian Band
Notes to Financial Statements

(Unaudited)

March 31, 2018

19. Segment Disclosure - continued

2018

	Administrative	Community Welfare	Operations & Maintenance	Education	Economic Development	Health Services	Natural Resource Management	Capital
Revenue								
ISC	\$ 482,184	\$ -	\$ 437,203	\$ 465,058	\$ 31,295	\$ 312,468	\$ 7,415	\$ -
Other	418,078	(1)	51,039	6,987	256,241	2,556	21,483	156,468
Total	900,262	(1)	488,242	472,045	287,536	315,024	28,898	156,468
Expenses								
Wages & benefits	256,592	-	109,595	32,552	-	58,761	59	-
Purchases	692,667	1	441,490	527,458	80,517	265,372	32,178	133,503
Amortization	24,628	-	96,527	-	2,269	-	-	-
Total	973,887	1	647,612	560,010	82,786	324,133	32,237	133,503
Surplus (deficit)	\$ (73,625)	\$ (2)	\$ (159,370)	\$ (87,965)	\$ 204,750	\$ (9,109)	\$ (3,339)	\$ 22,965

2017

	Administration	Community Welfare	Operations & Maintenance	Education	Economic Development	Health Services	Natural Resource Management	Capital
Revenue								
ISC	\$ 324,946	\$ -	\$ 221,476	\$ 363,426	\$ 10,626	\$ 191,112	\$ -	\$ 34,495
Other	211,074	(2,269)	111,703	6,964	530,507	6,000	98,076	209,239
Total	536,020	(2,269)	333,179	370,390	541,133	197,112	98,076	243,734
Expenses								
Wages & benefits	306,762	-	116,046	29,741	35,415	57,825	70,810	-
Purchases	431,336	3	123,759	301,119	12,021	221,315	26,182	202,131
Amortization	19,362	-	96,280	-	2,269	-	-	-
Total	757,460	3	336,085	330,860	49,705	279,140	96,992	202,131
Surplus (deficit)	\$ (221,440)	\$ (2,272)	\$ (2,906)	\$ 39,530	\$ 491,428	\$ (82,028)	\$ 1,084	\$ 41,603

Nooaitch Indian Band
Notes to Financial Statements

March 31, 2018

20. 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 a budget, no budgeted figures have been presented as otherwise required.
