

Nooaitch Indian Band
Consolidated Financial Statements
For the year ended March 31, 2020

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Consolidated Financial Statements
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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, 2020, and the consolidated statement of operations, consolidated statement of changes in net assets (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, 2020, 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, 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.

Nooaitch Indian Band operates rental housing and has balances receivable for outstanding rents of \$219,715 (2019 - \$187,468) the valuation of which is not susceptible to satisfactory audit verification. Accordingly, the verification of rents receivable 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, 2020 and 2019, bad debt expense and annual surplus for the years 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 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 Band'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 Band'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 Band 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
September 19, 2022

Nooaitch Indian Band

Exhibit A - Consolidated Statement of Financial Position

As at March 31	2020	2019
Financial Assets		
Cash (Note 3)	\$ 2,288,338	\$ 1,193,074
Restricted cash (Note 4)	177,657	179,082
Accounts receivable (Note 5)	358,697	352,138
Rents receivable (Note 6)	219,716	187,468
Portfolio investments (Note 7)	1,111	1,111
Investments in government business enterprises (Note 8)	877,501	812,581
	<u>3,923,020</u>	<u>2,725,454</u>
Liabilities		
Accounts payable and accrued liabilities (Note 9)	742,109	844,732
Deferred revenue (Note 10)	390,570	138,013
Long-term debt (Note 11)	1,777,600	1,888,638
	<u>2,910,279</u>	<u>2,871,383</u>
Net Assets (Debt)	<u>1,012,741</u>	<u>(145,929)</u>
Non-financial Assets		
Prepaid expenses	117,142	4,953
Tangible capital assets (Note 12)	7,484,920	6,001,759
	<u>7,602,062</u>	<u>6,006,712</u>
Accumulated surplus (Note 13)	<u>\$ 8,614,803</u>	<u>\$ 5,860,783</u>

Approved on behalf of the Band Council:

 _____ Chief

 _____ Councilor

Nooaitch Indian Band

Exhibit B - Consolidated Statement of Change in Net Assets (Debt)

	2020	2019
Annual surplus	\$ 2,657,443	\$ 464,564
Acquisition of tangible capital assets	(1,709,960)	(23,926)
Amortization of tangible capital assets	226,798	207,991
Change in tangible capital assets	(1,483,162)	184,065
Change in prepaid expenses	(112,188)	10,384
Change in transfers	96,577	-
Change in net financial assets	1,158,670	659,013
Net debt, beginning of year	(145,929)	(804,942)
Net financial assets (debt), end of year	\$ 1,012,741	\$ (145,929)

Nooaitch Indian Band

Exhibit C - Consolidated Statement of Operations

	2020	2019
Revenue		
Indigenous Services Canada	\$ 1,610,910	\$ 1,530,720
ISETS	8,161	10,449
CMHC - RRAP and Retrofit	73,481	7,209
CMHC Subsidy	113,576	37,753
Cost Recoveries	-	9,376
Donations	5,000	6,120
Contracts	1,179,160	80,314
Province of BC	1,774,894	957,803
Rental income	174,700	172,020
Investment income from Business entities	64,920	849,729
Other income	583,378	94,279
FNESC	30,996	-
NLX Trust Revenues	-	500
BC Hydro	94,027	29,648
Administration (recovery)	(6,932)	(1,606)
	5,706,271	3,784,314
Expenses (Note 16)		
Administration	639,046	1,386,116
Operations and maintenance	312,979	396,746
Education	628,765	538,156
Economic development	421,393	218,374
Health services	584,337	369,785
Natural resource management	187,510	244,079
Capital	3,568	-
Social housing	255,090	166,494
Community welfare	16,140	-
	3,048,828	3,319,750
Annual surplus	\$ 2,657,443	\$ 464,564

Nooaitch Indian Band
Exhibit D - Consolidated Statement of Cash Flows

	2020	2019
Operating activities		
Cash receipts from funding agreements and contracts	\$ 6,081,467	\$ 3,376,057
Interest paid	(42,556)	(42,345)
Cash paid to suppliers	(2,897,709)	(3,164,761)
Cash flows from operating activities	<u>3,141,202</u>	<u>168,951</u>
Capital activities		
Acquisition of tangible capital assets	(1,709,959)	(19,238)
Investing activities		
Change in investment in business entities	(226,366)	120,270
Financing activities		
Repayment of long term debt	(111,038)	(125,437)
Net increase in cash	1,093,839	144,546
Cash, beginning of year	<u>1,372,156</u>	<u>1,227,610</u>
Cash, end of year	<u>\$ 2,465,995</u>	<u>\$ 1,372,156</u>
Represented by:		
Cash	\$ 2,288,338	\$ 1,193,074
Restricted cash	<u>177,657</u>	<u>179,082</u>
	<u>\$ 2,465,995</u>	<u>\$ 1,372,156</u>

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

Nooaitch Indian Band

Notes to Consolidated Financial Statements

March 31, 2020

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%)
- Spayum Holding LP (20%)

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, 2020

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, 2020

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.

Segmented Disclosure

A segment is defined as a distinguishable activity or group of activities of a government for which is it appropriate to separately report financial information to achieve the objectives of the Band. The Band identifies its segments based on specific projects and funding arrangements. Revenue and expenses are allocated to these segments according to methods of identification.

Nooaitch Indian Band Notes to Financial Statements

March 31, 2020

2. Economic Dependence

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

3. Cash

	2020	2019
Operations	\$ 2,258,936	\$ 1,070,745
Social Housing	29,402	122,329
	<u>\$ 2,288,338</u>	<u>\$ 1,193,074</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, 2020, the Band had not drawn on this facility.

4. Restricted Cash

	2020	2019
Ottawa Trust Funds	\$ 2,806	\$ 2,236
Housing replacement reserve fund	153,549	155,524
Housing operating reserve fund	21,302	21,322
	<u>\$ 177,657</u>	<u>\$ 179,082</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.

Restricted cash consists of replacement reserve funds in the amount of \$ 153,549 (2019 - \$155,524) and operating reserve funds of \$21,302 (2019 - \$21,322). Under the operating agreement between Nooaitch Indian Band and CMHC, Nooaitch Indian Band 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 underfunded by \$144,178 (2019 - \$136,517); the operating reserve is underfunded by \$187,758 (2019 - \$121,227)

Nooaitch Indian Band

Notes to Financial Statements

March 31, 2020

5. Accounts Receivable

Accounts receivable by program area is summarized as follows:

	<u>2020</u>	<u>2019</u>
Trade accounts receivable	\$ 244,813	\$ 343,603
Accounts receivable - Social Housing C.3 8,535		113,884
	<u>\$ 358,697</u>	<u>\$ 352,138</u>

Included in trade accounts receivable is \$ 51,659 owing from Band Members.

6. Rents Receivable

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

	<u>2020</u>	<u>2019</u>
Rent receivable	\$ 219,716	\$ 187,468

7. Portfolio Investments

The Band holds the following portfolio investments:

	<u>2020</u>	<u>2019</u>
All Nations trust Company	\$ 1,111	\$ 1,111

Nooaitch Indian Band Notes to Financial Statements

March 31, 2020

8. Investments in Government Business Enterprises

	2020	2019
Stuwix Resources Joint Venture	\$ 498,867	\$ 509,901
Investment in Spayum Holdings LP	164,250	97,937
Investment in 0538053 BC Ltd.	214,384	204,743
	\$ 877,501	\$ 812,581

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. Nooaitch Indian Band also holds a 12.5% in Stuwix Joint Venture and a 20.0% interest in Spayum Holdings LP.

Summary of the financial statements of investments accounted for using modified equity for the year ended March 31, 2020 are as follows:

	Stuwix Resources Joint Venture	Esh-kn-am Joint Venture	9110 Investments Ltd	Spayum Holdings LP	2020
Balance Sheet					
Current assets	\$ 9,453,762	\$ 681,863	\$ 4,500	\$ 751,184	\$ 10,891,309
Investments	-	56,999	1	-	57,000
Capital assets	60,162	69,007	47,467	2,593,394	2,770,030
Other assets	-	2	-	-	2
	\$ 9,513,924	\$ 807,871	\$ 51,968	\$ 3,344,578	\$ 13,718,341
Current liabilities	\$ 2,468,750	\$ 113,642	\$ 168,580	\$ 2,523,318	\$ 5,274,290
Reforestation obligation	3,025,979	-	-	-	3,025,979
Share capital	-	-	1	-	1
Equity	4,019,195	694,229	(131,314)	821,260	5,403,370
	\$ 9,513,924	\$ 807,871	\$ 37,267	\$ 3,344,578	\$ 13,703,640
Statement of Operations					
Revenue	\$ 11,780,963	\$ 729,309	\$ -	\$ 562,641	\$ 13,072,913
Expenses	11,869,233	678,013	12,733	620,227	13,180,206
Net Income (loss)	(88,270)	51,296	(12,733)	(57,586)	(107,293)
Equity, beginning of year	4,107,465	642,933	(118,581)	878,846	5,510,663
Equity, end of year	\$ 4,019,195	\$ 694,229	\$ (131,314)	\$ 821,260	\$ 5,403,370

Nooaitch Indian Band Notes to Financial Statements

March 31, 2020

9. Accounts Payable

	2020	2019
Operating Fund	\$ 725,658	\$ 829,656
Social Housing Fund	16,451	15,076
	<u>\$ 742,109</u>	<u>\$ 844,732</u>

10. Deferred Revenue

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

	2020	2019
Indigenous Services Canada		
Community Buildings	\$ 19,983	\$ 108,978
Post Secondary Student Support	17,780	-
Other	89,002	29,035
First Nations Health Authority	263,805	-
	<u>\$ 390,570</u>	<u>\$ 138,013</u>

Nooaitch Indian Band Notes to Financial Statements

March 31, 2020

11. Long Term Debt

	2020	2019
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	\$ 219,978	\$ 227,794
<u>Social Housing</u>		
All Nations Trust Company mortgage repayable in monthly instalments of \$2,093 including interest at 2.52% per annum, renewal date of September 2023, maturing July 2028, secured by a Ministerial Guarantee	188,689	208,788
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	400,361	428,120
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	352,869	382,096
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	615,703	641,840
Total long term debt	\$ 1,777,600	\$ 1,888,638

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

2021	\$ 703,493
2022	89,695
2023	404,085
2024	348,805
2025 and thereafter	231,522
	<u>\$ 1,777,600</u>

Nooaitch Indian Band Notes to Financial Statements

March 31, 2020

12. Tangible Capital Assets

	2020		2019	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Automotive equipment	\$ 119,246	\$ 109,527	\$ 119,246	\$ 107,092
Buildings	960,567	428,311	960,567	404,768
Furniture and equipment	369,596	243,485	348,445	223,923
Infrastructure	5,332,065	1,149,156	4,007,033	1,072,151
	6,781,474	1,930,479	5,435,291	1,807,934
Social Housing Buildings	3,502,855	1,231,677	3,502,855	1,128,453
AHSOR				
Buildings	324,981	-	-	-
Furniture and equipment	38,795	1,029	-	-
	363,776	1,029	-	-
	\$ 10,648,105	\$ 3,163,185	\$ 8,938,146	\$ 2,936,387
Net book value		\$ 7,484,920		\$ 6,001,759

Nooaitch Indian Band
Notes to Financial Statements

March 31, 2020

12. Tangible Capital Assets (continued)

							2020
	Automotive Equipment	Buildings	Furniture and Equipment	Infrastructure	Social Housing	AHSOR	Total
Cost, beginning of year	\$ 119,246	\$ 960,567	\$ 348,445	\$ 4,007,033	\$ 3,502,855	\$ -	\$ 8,938,146
Additions	-	-	21,151	1,325,032	-	363,776	1,709,959
Transfers	-	-	-	-	-	-	-
Cost, end of year	119,246	960,567	369,596	5,332,065	3,502,855	363,776	10,648,105
Accumulated amortization, beginning of year	107,092	404,768	223,923	1,072,151	1,128,453	-	2,936,387
Amortization	2,435	23,543	19,562	77,005	103,224	1,029	226,798
Accumulated amortization, end of year	109,527	428,311	243,485	1,149,156	1,231,677	1,029	3,163,185
Net carrying amount, end of year	\$ 9,719	\$ 532,256	\$ 126,111	\$ 4,182,909	\$ 2,271,178	\$ 362,747	\$ 7,484,920

Nooaitch Indian Band
Notes to Financial Statements

March 31, 2020

12. Tangible Capital Assets (continued)

							2019
	Automotive Equipment	Buildings	Furniture and Equipment	Infrastructure	Social Housing	AHSOR	Total
Cost, beginning of year	\$ 119,246	\$ 960,567	\$ 324,519	\$ 4,007,033	\$ 3,502,855	\$ -	\$ 8,914,220
Additions	-	-	23,926	-	-	-	23,926
Cost, end of year	119,246	960,567	348,445	4,007,033	3,502,855	-	8,938,146
Accumulated amortization, beginning of year	104,657	381,225	207,310	1,008,396	1,026,808	-	2,728,396
Amortization	2,435	23,543	16,613	63,755	101,645	-	207,991
Accumulated amortization, end of year	107,092	404,768	223,923	1,072,151	1,128,453	-	2,936,387
Net carrying amount, end of year	\$ 12,154	\$ 555,799	\$ 124,522	\$ 2,934,882	\$ 2,374,402	\$ -	\$ 6,001,759

Nooaitch Indian Band

Notes to Financial Statements

March 31, 2020

13. Accumulated Surplus

Accumulated surplus of the Band is comprised of the following:

	2020	2019
Equity in Investments in Business Entities	\$ 878,612	\$ 813,692
Equity in Ottawa Trust	2,806	2,236
Equity in Tangible Capital Assets	4,968,324	3,383,338
Funded Reserves	506,787	434,589
Contributed Surplus	706,924	706,924
Unrestricted surplus	1,603,447	613,472
Internal surplus	(52,097)	(93,468)
	\$ 8,614,803	\$ 5,860,783

14. 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 (2019 - \$8,563).

15. 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, 2020

16. Expenses by Object

	<u>2020</u>	<u>2019</u>
Advertising	\$ -	\$ 1,121
Amortization	226,798	207,991
Automotive	17,760	10,853
Bad debts	5,081	6,023
Bank charges	8,982	11,168
Community support	45,256	500
Contract services	87,570	768,042
Donation	4,110	2,500
Election expenses	6,337	7,113
Equipment rental	21,708	34,866
Honoraria	116,875	91,700
Insurance	48,259	42,129
Interest	16,566	14,723
Interest on long-term debt	25,990	27,622
Licences and dues	27,003	4,216
Local education agreement	456,363	345,401
Materials and supplies	34,366	51,225
Meetings	41,431	20,635
Office and miscellaneous	72,378	12,205
Professional fees	412,540	391,298
Program expenses	60,142	53,899
Rent	1,400	-
Repairs and maintenance	110,750	55,857
Replacement reserve	35,659	10,621
Social assistance	297,759	231,715
Student allowance	67,603	59,140
Telephone	26,664	49,355
Training	49,036	87,140
Travel and accommodation	126,601	90,008
Utilities	139,020	81,160
Wages and benefits	458,821	549,524
	<u>\$ 3,048,828</u>	<u>\$ 3,319,750</u>

Nooaitch Indian Band

Notes to Financial Statements

March 31, 2020

17. 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

March 31, 2020

18. Segment Disclosure - continued

2020

	Administrative	Community Welfare	Operations & Maintenance	Education	Economic Development	Health Services	Natural Resource Management	Capital	Social Housing	Total
Revenue										
ISC	\$ 243,875	\$ 34,255	\$ 192,983	\$ 525,089	\$ 15,000	\$ 537,669	\$ 70,065	\$ (8,026)	\$ -	\$ 1,610,910
Other	1,706,489	-	67,835	87,777	1,331,607	509,884	52,392	14,200	325,176	4,095,360
Total	1,950,364	34,255	260,818	612,866	1,346,607	1,047,553	122,457	6,174	325,176	5,706,270
Expenses										
Wages & benefits	198,311	395	81,710	30,231	78,803	45,870	23,500	-	-	458,820
Purchases	413,195	15,577	140,971	597,410	343,182	537,438	164,010	3,568	147,859	2,363,210
Amortization	27,540	168	90,298	1,124	(592)	1,029	-	-	107,231	226,798
Total	639,046	16,140	312,979	628,765	421,393	584,337	187,510	3,568	255,090	3,048,828
Surplus (deficit)	\$ 1,311,318	\$ 18,115	\$ (52,161)	\$ (15,899)	\$ 925,214	\$ 463,216	\$ (65,053)	\$ 2,606	\$ 70,086	\$ 2,657,442

2019

	Administration	Community Welfare	Operations & Maintenance	Education	Economic Development	Health Services	Natural Resource Management	Capital	Social Housing	Total
Revenue										
ISC	\$ 403,278	\$ -	\$ 198,790	\$ 425,384	\$ 3,826	\$ 330,270	\$ 172,225	\$ (3,053)	\$ -	\$ 1,530,720
Other	880,218	-	9,024	49,080	997,736	14,464	101,698	-	201,374	2,253,594
Total	1,283,496	-	207,814	474,464	1,001,562	344,734	273,923	(3,053)	201,374	3,784,314
Expenses										
Wages & benefits	287,416	-	144,783	33,630	-	67,614	16,081	-	-	549,524
Purchases	1,072,385	-	175,346	504,526	218,966	302,171	227,998	-	60,842	2,562,234
Amortization	26,315	-	76,617	-	(592)	-	-	-	105,652	207,992
Total	1,386,116	-	396,746	538,156	218,374	369,785	244,079	-	166,494	3,319,750
Surplus (deficit)	\$ (102,620)	\$ -	\$ (188,932)	\$ (63,692)	\$ 783,188	\$ (25,051)	\$ 29,844	\$ (3,053)	\$ 34,880	\$ 464,564

Nooaitch Indian Band Notes to Financial Statements

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19. 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.
