

**Ahousaht**

**Consolidated Financial Statements**

**March 31, 2022**

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# Ahousaht

## Consolidated Financial Statements

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March 31, 2022

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# Ahousaht

## Management's Responsibility for Financial Reporting

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March 31, 2022

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The accompanying consolidated financial statements of Ahousaht are the responsibility of management and have been approved by Council.

The consolidated financial statements have been prepared by management in accordance with Canadian public sector accounting standards prescribed for governments as recommended by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada and as such include amounts that are the best estimates and judgments of management.

Management is responsible for the integrity and objectivity of these statements and for implementing and maintaining a system of internal controls to provide reasonable assurance that reliable financial information is produced.

The Council is responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control and is ultimately responsible for reviewing and approving the consolidated financial statements.

The Council meets periodically with management, as well as the external auditors, to discuss internal controls over the financial reporting process, auditing matters and financial reporting issues, to satisfy themselves that each party is properly discharging their responsibilities, and to review the consolidated financial statements and the external auditor's report.

The external auditors, Crowe MacKay LLP, conduct an independent examination, in accordance with Canadian auditing standards, and express their opinion on the consolidated financial statements. The external auditors have full and free access to financial management of Ahousaht and meet when required.

On behalf of Ahousaht:

Original signed by \_\_\_\_\_  
Executive Director

October 5, 2022  
\_\_\_\_\_ Date

## Independent Auditors' Report

### To the Members of Ahousaht

#### *Qualified Opinion*

We have audited the consolidated financial statements of Ahousaht, which comprise the consolidated statement of financial position as at March 31, 2022, and the consolidated statements of operations and accumulated surplus, change in net financial assets (debt) and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of our report, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the First Nation as at March 31, 2022, and the results of its consolidated operations, its changes in its consolidated net financial assets (debt), and its consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards.

#### *Basis for Qualified Opinion*

An approved budget was not prepared for all operating segments for the year ending March 31, 2022. Canadian public sector accounting standards requires the approved budget to be presented in the statements of operations and accumulated surplus and changes in net financial assets.

Financial information for Ahousaht Fishing Corporation, a Nation business entity, for the years ending March 31, 2022 and March 31, 2021 was not available at the audit report date. We were unable to determine whether adjustments to investments in Nation business entities, earnings from investments in Nation business entities, surplus (deficit) and accumulated surplus were necessary. Further, the financial statements of Ahousaht Fishing Corporation reported a payable to the Nation in 2016, which has not been recorded in the Nation's consolidated financial statements. We are unable to determine if advances to the business entity and adjustments to accumulated surplus need to be recorded.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the First Nation in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our 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 the consolidated financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the First Nation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the First Nation or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the First Nation's financial reporting process.

## Independent Auditors' Report (continued)

### *Auditors' 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 auditors' 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 consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ◆ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the First Nation's internal control.
- ◆ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- ◆ Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the First Nation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 auditors' report. However, future events or conditions may cause the First Nation to cease to continue as a going concern.
- ◆ Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- ◆ Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the 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.

**Vancouver, Canada  
October 5, 2022**

  
**Chartered Professional Accountants**

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## Ahousaht

### Consolidated Statement of Financial Position

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March 31 2022 2021  
(Restated - note  
3)

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#### Financial Assets

Cash and cash equivalents	\$ 14,164,827	\$ 13,308,324
Accounts receivable (Note 5)	1,337,859	1,278,517
Trust funds held by Ottawa (Note 6)	313,346	323,641
Investment in Nation business entities (Note 7)	2	2
Restricted cash (Note 8)	767,285	448,888
	<hr/>	
	16,583,319	15,359,372

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#### Liabilities

Accounts payable and accrued liabilities (Note 10)	2,645,595	2,427,286
Deferred revenue (Note 11)	7,293,852	8,964,648
Forgivable loans (Note 12)	165,594	203,037
Long-term debt (Note 13)	2,301,179	3,932,851
	<hr/>	
	12,406,220	15,527,822

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**Net financial assets (debt)** 4,177,099 (168,450)

#### Non-financial Assets

Capital assets (Note 14)	69,080,518	62,226,958
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**Accumulated Surplus (Note 15)** \$ 73,257,617 \$ 62,058,508

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Contingent liabilities (Note 17)

Approved on behalf of Ahousaht

Original signed by \_\_\_\_\_, Chief

Original signed by \_\_\_\_\_, Councilor

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## Ahousaht

### Consolidated Statement of Operations and Accumulated Surplus

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For the year ended March 31

2022

2021

(Restated - note  
3)

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#### Revenue

Indigenous Services Canada	\$ 19,013,687	\$ 20,683,242
Nuu-Chah-Nulth Tribal Council Revenue	3,982,290	3,393,886
Grant Revenue	-	1,600,000
Other revenue	1,863,313	2,179,916
First Nations School Association Revenue	2,143,577	1,177,364
Gaming Revenue	601,777	1,062,066
First Nations Health Authority	28,880	631,489
Rental income	411,016	534,099
Province of BC Revenue	1,725,336	281,493
Aboriginal Head Start Revenue	222,943	231,238
Interest income	98,861	87,725
CMHC mortgage funds	84,755	84,381
Internet Services	214,664	74,791
Loan forgiveness	37,443	41,795
Non-ISC - Revenue deferred to future years	-	(976,686)
ISC - Revenue deferred from prior years	7,008,019	6,579,444
ISC - Revenue deferred to future years	(5,337,223)	(7,008,019)
	<b>32,099,338</b>	<b>30,658,224</b>

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#### Expenses (note 20)

Administration	5,198,440	4,677,268
Ahousaht Patient Travel	1,696,386	1,257,006
Cha-Chum-Hi-Yup-Tiichmis (CCHY)	1,787,795	2,442,245
Social Development	1,613,552	2,087,987
Ahousaht Capital	4,372	69,181
Operations and Maintenance	1,012,661	928,262
Forestry	3,979	(6,395)
Fisheries	497,566	328,960
Housing	877,055	1,184,760
Ahousaht Education Authority	8,174,423	7,615,441
Chimannah Wellness Centre	34,000	26,585
	<b>20,900,229</b>	<b>20,611,300</b>

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Excess of revenue over expenses

11,199,109

10,046,924

Accumulated surplus, beginning of year

62,058,508

52,011,584

Accumulated surplus, end of year

\$ 73,257,617

\$ 62,058,508

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## Ahousaht

### Consolidated Statement of Change in Net Financial Assets (Debt)

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For the year ended March 31	2022	2021 (Restated - note 3)
<b>Excess of revenue over expenses</b>	<b>\$ 11,199,109</b>	<b>\$ 10,046,924</b>
Acquisition of tangible capital assets	(8,791,542)	(9,942,762)
Amortization of tangible capital assets	1,937,982	1,958,222
	<b>(6,853,560)</b>	<b>(7,984,540)</b>
<b>Increase in net financial assets</b>	<b>4,345,549</b>	<b>2,062,384</b>
<b>Net debt, beginning of year</b>	<b>(168,450)</b>	<b>(2,230,834)</b>
<b>Net debt, end of year</b>	<b>\$ 4,177,099</b>	<b>\$ (168,450)</b>

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## Ahousaht

### Consolidated Statement of Cash Flow

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For the year ended March 31, 2022	2022	2021
<b>Cash flows from</b>		
<b>Operating activities</b>		
Excess of revenue over expenses	\$ 11,199,109	\$ 10,046,924
Items not affecting cash		
Amortization	1,937,982	1,958,222
Forgiveness of CMHC loans	(37,443)	(41,795)
	<b>13,099,648</b>	11,963,351
Change in non-cash operating working capital		
Accounts receivable	(59,342)	658,171
Restricted cash	(318,397)	830,350
Accounts payable and accrued liabilities	218,122	(296,904)
Deferred revenue	(1,670,796)	1,405,262
	<b>11,269,235</b>	14,560,230
<b>Capital activities</b>		
Purchase of tangible capital assets	(8,791,354)	(9,942,762)
<b>Financing activities</b>		
Long-term debt	(1,631,673)	(451,340)
Advances on long-term debt	-	73,264
	<b>(1,631,673)</b>	(378,076)
<b>Investing activities</b>		
Increase in trust funds held in Ottawa	10,295	(10,988)
<b>Increase in cash and cash equivalents</b>	<b>856,503</b>	4,228,404
<b>Cash and cash equivalents, beginning of year</b>	<b>13,308,324</b>	9,079,920
<b>Cash and cash equivalents, end of year</b>	<b>\$ 14,164,827</b>	<b>\$ 13,308,324</b>

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# Ahousaht

## Notes to Consolidated Financial Statements

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March 31, 2022

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### 1. Operations

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

### 2. Basis of Presentation and Significant Accounting Policies

These consolidated financial statements are prepared in accordance with Canadian public sector accounting standards for governments as recommended by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada.

#### (a) Reporting entity principles of financial reporting

These financial statements report only on the activities of the Ahousaht.

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

The Nation also prepares Financial Statements that consolidate the assets, liabilities and results of operations for the following entities which lend themselves to consolidation:

1. Ahousaht Education Authority
2. 1139763 B.C. Ltd.
3. Cha Chum Hi Yup Tiic Miss Society
4. Chimanah Wellness Centre - 1197013 B.C. Ltd.

All inter-entity balances have been eliminated on consolidation, but in order to present the results of operations for each specific fund, transactions amongst funds have not necessarily been eliminated on the individual schedules.

Ahousaht business entities, owned or controlled by the Nation's Council but not dependent on the Nation for their continuing operations, are included in the consolidated financial statements using the modified equity method. Under the modified equity method, the equity method of accounting is modified only to the extent that the business entity accounting principles are not adjusted to conform to those of the Nation. Thus, the Nation's investment in these entities is recorded at acquisition cost and is increased for the proportionate share of post-acquisition earnings and decreased by post acquisition losses and distributions received. Entities accounted for by the modified basis include the Ahousaht Fishing Corporation.

Ahousaht is a member of Ma-Mook Development Corporation. The Ma-Mook Development Corporation is an organization of five Nations, whose purpose is to control the Nations' interest in forestry operations. The Nation does not have a share in the profit or loss of the organization. As a result, the financial statements have not been consolidated in the financial statements of Ahousaht.

**March 31, 2022**

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**2. Basis of Presentation and Significant Accounting Policies (continued)****(b) Segments**

The Nation conducts its business through a number of reportable segments as described in Note 21. These operating segments are established by senior management to facilitate the achievement of the Nation's long term objectives to aid in resource allocation decisions, and to assess operational performance.

For each reported segment, revenue and expenses represent both amounts that are directly attributable to the segment and amounts that are allocated on a reasonable basis.

The accounting policies used in these segments are consistent with those followed in the preparation of the consolidated financial statements as disclosed the significant accounting policies.

**(c) Revenue recognition**

Revenues are recognized in the period in which the transactions or events occurred that gave rise to the revenues. All revenues are recorded on an accrual basis, except when the accruals cannot be determined with a reasonable degree of certainty or when their estimation is impracticable.

Government transfers are recognized as revenues 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 transfer stipulations give rise to a liability. Transfer revenue is recognized in the statement of operations as the stipulation liabilities are settled.

Revenue of the Capital and Revenue Trust Fund is recognized at the time funds are contributed to the accounts held in Ottawa. Interest revenue is recognized when earned.

CMHC revenue is recognized as it become receivable under the terms of the applicable funding agreements. Funding received under funding arrangements that relate to a subsequent fiscal period are reflected as deferred revenue on the consolidated statement of financial position in the year of receipt.

Rental revenue is recorded in the year it is earned. At the end of each year, management evaluates whether rent revenue is collectible and records a bad debt expense and allowance for doubtful accounts for those amounts designated as unlikely to be collected.

**(d) Cash and cash equivalents**

Cash and cash equivalents include balances with banks and short-term investments with maturities of three months or less. Cash subject to restrictions that prevent its use for current purposes is included in restricted cash.

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# Ahousaht

## Notes to Consolidated Financial Statements

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March 31, 2022

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### 2. Basis of Presentation and Significant Accounting Policies (continued)

#### (e) Tangible capital assets

Tangible capital assets are recorded at cost, which includes amounts that are directly related to the acquisition, design, construction, development, improvement or betterment of the assets. Cost includes overhead directly attributable to construction and development, as well as interest costs that are directly attributable to the acquisition or construction of the asset.

Leases that transfer substantially all the benefits and risks of ownership to the lessee are recorded as capital leases. Accordingly, at the inception of the leases, the tangible capital asset and related lease obligations are recorded at an amount equal to the present value of future lease payments discounted at the lower of the interest rate inherent in the lease contracts and Ahousaht's incremental cost of borrowing.

Amortization is provided for on a declining balance basis over their estimated useful lives as follows:

Buildings	4 to 5% Declining balance
Automotive equipment	30% Declining balance
Computer equipment	30% Declining balance
Equipment	20% Declining balance
Infrastructure	4 to 5% Declining balance
Boats and docks	15% Declining balance
Water and sewer systems	5% Declining balance

Tangible capital assets are written down when conditions indicate that they no longer contribute to Ahousaht'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 consolidated statement of operations.

Contributed capital assets are recorded into revenues at their fair value on the date of donation, except in circumstances where fair value cannot be reasonably determined, in which case they are recognized at nominal value. Transfers of capital assets from related parties are recorded at carrying value.

Certain assets which have historical or cultural value, including works of art, historical documents and historical and cultural artifacts, are not recognized as tangible capital assets. Assets under construction are not amortized until the asset is available to be put into service.

#### (f) Financial instruments

All significant financial assets, financial liabilities and equity instruments of the entity are either recognized or disclosed in the financial statements together with other information relevant for making a reasonable assessment of interest rate risk and credit risk.

**March 31, 2022**

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**2. Basis of Presentation and Significant Accounting Policies (continued)****(g) Use of estimates and COVID-19 measurement uncertainty**

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

At the date of publication of these consolidated financial statements, it is not possible to reliably estimate the length and severity of the COVID-19 pandemic developments and its potential impact on the First Nations financial results, conditions and cash flows.

**3. Prior period adjustment**

During the year, the First Nation determined there was an error regarding opening Fiscal 2021 and 2022 deferred revenue. As a result, prior period balances have been restated. 2022 opening surplus increased by \$1,045,363 and deferred revenue decreased by \$1,045,363.

2021 opening surplus increased by \$612,667, revenue increased by \$432,696 and deferred revenue decreased by \$1,045,363.

In addition, the First Nation determined that Fiscal 2021 deferred revenue was misallocated between projects as described in Note 11.

**4. COVID-19 Pandemic**

On March 11, 2020, the World Health Organization declared a global pandemic. The outbreak of the novel strain of the coronavirus, COVID-19, has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. These measures have caused material disruptions to businesses, governments and other organizations resulting in an economic slowdown and increased volatility. Governments and central banks including Canadian federal, provincial, territorial and municipal governments have responded with significant monetary and fiscal interventions designed to stabilize economic conditions.

The rapidly evolving event, including health and safety conditions, economic environment and resulting government measures, creates a high level of uncertainty and risk that may result in significant impacts to the entity's activities, results of operations and financial condition. The duration and impact of the COVID-19 outbreak is unknown at this time, as is the efficacy of any interventions. As such it is not possible to estimate the length and severity of these development and the impact on the financial results and condition on the Nation and its operations in future periods.

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# Ahousaht

## Notes to Consolidated Financial Statements

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March 31, 2022

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### 5. Accounts receivable

	2022	2021
Accounts receivable - General	\$ 603,854	\$ 461,193
Rent receivable	1,196,325	1,179,416
Nuu-chah-nulth Tribal Council	654,235	657,387
First Nations Health Authority	241,382	164,261
CMHC subsidy assistance	6,967	6,967
	<b>2,702,763</b>	2,469,224
Allowance for doubtful accounts	<b>(1,364,904)</b>	(1,190,707)
	<b>\$ 1,337,859</b>	<b>\$ 1,278,517</b>

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### 6. Trust funds held by Ottawa

The Capital and Revenue funds are held in Ottawa and arise from monies derived from capital and revenue sources which the Crown considers are described in Section 62 of the Indian Act. These funds are held in trust by the Government of Canada and the Crown treats these funds as primarily governed by section 64 and 69 of the Indian Act. The Funds earn interest pursuant to section 61(2) of the Indian Act

### 7. Investments in Nation business entities

The Nation has investments in the following entities:

	2022	2021
Wholly-owned Business: Ahousaht Fishing Corporation	\$ 1	\$ 1
First Nation Business Partnerships - Cost: Mamook Natural Resources Ltd. - 20%	1	1
	<b>\$ 2</b>	<b>\$ 2</b>

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Financial information for Ahousaht Fishing Corporation was not available at the time of the audit report date. As such the audit report has been qualified with respect to the lack of sufficient audit evidence.

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# Ahousaht

## Notes to Consolidated Financial Statements

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March 31, 2022

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### 8. Restricted cash

	2022	2021
CMHC - Social housing replacement reserve	\$ 326,426	\$ 225,258
CMHC - Housing operating reserve	440,859	223,630
	<b>\$ 767,285</b>	<b>\$ 448,888</b>

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Under the terms of agreements with Canada Mortgage and Housing Corporation (CMHC), any annual operating surplus may be retained in an operating reserve, to be drawn against in the event of any future deficits. These funds, along with accumulated interest, must be deposited in a separate bank account. Funds may only be invested in accounts or instruments insured by the Canada Deposit Insurance Corporation or as may otherwise be approved by CMHC from time to time.

Under the terms of the operating agreements with CMHC, the replacement reserve is to be credited annually with agreed amounts. These funds, along with accumulated interest, must be held in a separate bank account, and invested in accounts or instruments insured by Canada Deposit Insurance Corporation, or otherwise approved by CMHC from time to time. The funds in the account may only be used as approved by CMHC. Withdrawals are credited to interest first and then to principal. At the year end date, the reserve was overfunded by \$236,806 (2021 - overfunded by \$40,097).

### 9. Bank indebtedness

Bank indebtedness includes a demand loan with a maximum credit facility of \$850,000 (2021 - \$850,000) and bearing interest at prime plus 1.50% (2021 - prime plus 1.50%) per annum. The demand loan is secured by a General Security Agreement, 2nd position to Royal Bank of Canada.

As at March 31, 2022 the prime rate was at 2.70% (2021 - 2.45%).

### 10. Accounts payable and accrued liabilities

	2022	2021
Accounts payable	\$ 776,271	\$ 417,443
Holdbacks payable	1,767,218	1,767,218
Wages and benefits payable	81,486	112,389
Other accruals	-	109,616
NTC payable	20,620	20,620
	<b>\$ 2,645,595</b>	<b>\$ 2,427,286</b>

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# Ahousaht

## Notes to Consolidated Financial Statements

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March 31, 2022

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### 11. Deferred revenue

The following table represents changes in the deferred revenue balance attributable to each funding source:

	March 31, 2021 (Restated - note 3)	Funding received, 2022	Revenue recognized, 2022	March 31, 2022
<b>Federal government</b>				
ISC - Anderson Creek	\$ 51,865	\$ -	\$ -	\$ 51,865
ISC - Wastewater Treatment Plant	4,545,509	406,812	(4,536,624)	415,697
ISC - Roads & Drainage - Maaqtusiis IR#15	1,438,213	5,316,120	(2,257,104)	4,497,229
ISC - 6-Plex DL363	372,432	-	-	372,432
The Annual Foundation - Wellness Centre	2,556,629	-	(600,000)	1,956,629
	<hr/>			
	\$ 8,964,648	\$ 5,722,932	\$ (7,393,728)	\$ 7,293,852

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In addition to the changes in Note 3, opening deferred revenue relating to Wastewater Treatment Plant decreased by \$309,729 and opening deferred revenue relating to Roads & Drainage - Maaqtusiis increased by \$309,729.



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# Ahousaht

## Notes to Consolidated Financial Statements

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March 31, 2022

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### 12. Forgivable loans

	2022	2021
CMHC RRAP #26-242-073; forgivable in monthly instalments of \$865, interest as 3.38%, forgiven in November 2022.	\$ 6,056	\$ 16,439
CMHC RRAP #26-242-081; forgiven in full in 2022.	-	5,165
CMHC RRAP #26-242-099; forgivable in monthly instalments of \$653, interest as 3.38%, additional loan conditions to be determined at interest adjustment date.	21,816	21,816
CMHC RRAP #26-243-196; forgivable in monthly instalments of \$883, interest at 3.38%, forgiven in December 2022.	7,952	18,554
CMHC RRAP #26-272-329; forgivable in monthly instalments of \$941, interest at 4.75%, forgiven in July 2024.	25,350	36,643
CMHC RRAP #26-272-245; forgivable in monthly instalments of \$941, interest as 5.38%, additional loan conditions to be determined at interest adjustment date.	24,350	24,350
CMHC RRAP #26-272-260; forgivable in monthly instalments of \$805, interest as 5.38%, additional loan conditions to be determined at interest adjustment date.	22,100	22,100
CMHC RRAP #26-272-377; forgivable in monthly instalments of \$924, interest as 4.13%, additional loan conditions to be determined at interest adjustment date.	21,500	21,500
CMHC RRAP #26-273-698; forgivable in monthly instalments of \$847, interest as 5.38%, additional loan conditions to be determined at interest adjustment date.	24,100	24,100
CMHC RRAP #26-272-385; forgivable in monthly instalments of \$514, interest as 4.13%, additional loan conditions to be determined at interest adjustment date.	8,650	8,650
CMHC RRAP #26-273-680; forgivable in monthly instalments of \$405, interest as 3.63%, additional loan conditions to be determined at interest adjustment date.	3,720	3,720
	<b>\$ 165,594</b>	<b>\$ 203,037</b>

The forgivable loans are part of the Residential Rehabilitation Assistance Program ("RRAP"). The forgivable loans will be earned over 3-5 years from the Interest Adjustment Date. In order to earn the full amount of the forgivable RRAP loan, the owner must continue to own and occupy the property for the entire term of the loan. If the Nation is in default of the loan conditions, the Nation will be required to repay the loan including interest.

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# Ahousaht

## Notes to Consolidated Financial Statements

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March 31, 2022

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### 13. Long-term debt

	2022	2021
Demand loan - Bank of Montreal, repaid March 2022	\$ -	\$ 1,461,423
Loan - All Nations Trust, lender for CMHC housing, repayable at \$6,572 per month including interest at 1.31% per annum, due December 2021, secured by a Ministerial guarantee.	1,059,128	1,123,244
Demand loan - Royal Bank of Canada, repayable at \$2,193 per month including interest at 1.82% per annum, due on demand, secured by Ministerial guarantee.	316,395	336,753
Demand loan - Royal Bank of Canada, repayable at \$2,243 per month including interest at 3.06% per annum, due on demand, secured by Ministerial guarantee.	164,144	185,681
Demand loan - Bank of Montreal, repayable at \$1,537 per month including interest at prime plus 0.75% per annum, due on demand, secured by Ministerial guarantee.	129,763	162,620
NEDC Covid-19 Emergency Loan - interest free loan with \$10,000 non-repayable contribution portion, repayable at \$625 per month starting December 1, 2021.	9,976	40,000
NEDC Covid-19 Emergency Loan - interest free loan with \$10,000 non-repayable contribution portion, repayable at \$625 per month starting November, 2021.	26,250	30,000
Loan - All Nations Trust, lender for CMHC housing, 75% advanced, bearing interest at 0.35% per annum, additional loan conditions to be determined at interest adjustment date.	595,523	593,130
	<b>\$ 2,301,179</b>	<b>\$ 3,932,851</b>

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Anticipated principal portion of long-term debt due within the next five years:

2023	\$ 157,194
2024	157,194
2025	157,194
2026	153,444
2027	149,694
2028 and thereafter	1,526,459
	<b>\$ 2,301,179</b>

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# Ahousaht

## Notes to Consolidated Financial Statements

March 31, 2022

### 14. Tangible Capital Assets

	Cost	Additions	Accumulated amortization	2022 Net book value
Land	\$ 655,032	\$ -	\$ -	\$ 655,032
Buildings	39,626,280	1,748,523	19,882,628	21,492,175
Automotive equipment	353,157	51,929	295,626	109,460
Computer equipment	39,602	-	34,887	4,715
Equipment	1,085,898	24,840	967,532	143,206
Infrastructure	17,024,855	2,326,329	5,336,453	14,014,731
Boats and docks	1,071,513	103,109	781,424	393,198
Water and sewer systems	39,913,338	4,536,624	12,181,961	32,268,001
	<b>\$ 99,769,675</b>	<b>\$ 8,791,354</b>	<b>\$ 39,480,511</b>	<b>\$ 69,080,518</b>

	Cost	Additions	Accumulated amortization	2021 Net book value
Land	\$ 655,032	\$ -	\$ -	\$ 655,032
Buildings	38,667,224	959,056	18,896,357	20,729,923
Automotive equipment	262,546	90,612	257,045	96,112
Computer equipment	39,602	-	32,866	6,735
Equipment	1,024,298	61,600	937,940	147,957
Infrastructure	16,034,912	989,943	4,926,643	12,098,212
Boats and docks	954,993	116,520	721,137	350,376
Water and sewer systems	32,188,304	7,725,034	11,770,727	28,142,611
	<b>\$ 89,826,911</b>	<b>\$ 9,942,765</b>	<b>\$ 37,542,715</b>	<b>\$ 62,226,958</b>

### 15. Accumulated surplus

Accumulated surplus consists of the following:

	2022	2021 (Restated - note 3)
Equity in Ottawa Trust Funds	\$ 313,346	\$ 323,641
Surplus in operating fund	5,397,647	2,991,872
Equity in tangible capital assets	66,779,339	58,294,107
Social Housing Replacement and Operating Reserves	767,285	448,888
	<b>\$ 73,257,617</b>	<b>\$ 62,058,508</b>

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# Ahousaht

## Notes to Consolidated Financial Statements

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March 31, 2022

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### 16. Commitments

The Nation has seven contracts with Maas Designs Inc. for six modular housing units and a safe house for a total cost of \$3,084,148, to date \$1,863,932 (2021 - \$1,628,444) has been expended on these contracts. As at March 31, 2022, the remaining commitment for these contracts was \$1,220,216. The contracts are expected to be completed in the 2023 fiscal year.

The Nation has a contract with Tritech Group Ltd. for the construction of the Wastewater Treatment Plant on Flores Island for a total cost of \$21,924,072, to date \$21,451,649 (2021 - \$16,422,161) has been expended on this contract. As of March 31, 2022, the remaining commitment for this contract was \$472,423. The contract is expected to be completed in the 2023 fiscal year.

The Nation also has a contract with Associated Engineering for the construction of roads and drainage improvements of Marktosis I.R. No. 15 at a total cost of \$6,295,815, to date \$189,509 (2021 - \$nil) has been expended on this contract. The contract is expected to be completed in the 2023 fiscal year.

The Nation has a contract with Rustic B&C Builders Ltd. for the construction of the Chimanah Wellness Centre for a total cost of \$2,100,000, to date \$1,253,128 (2021 - \$513,579) has been expended on this contract. As of March 31, 2022, the remaining commitment for this contract was \$846,872. The contract is expected to be completed in the 2023 fiscal year.

These contracts will be funded through long-term debt and contributions from the Nation.

### 17. Contingent Liabilities

Ahousaht has been named as defendant in certain legal proceedings. The Nation is actively defending all lawsuits. Since the amount of loss, if any, cannot be reasonably estimated, no provision has been recorded in these financial statements. Should a loss be incurred, it will be expensed in the year the liability is determined.

These consolidated financial statements are subject to review by the Nation's funding agents. It is possible that adjustments could be made based on the results of their reviews. Any liabilities resulting from these reviews will be accounted for as an expense at the time of resolution.

### 18. Economic Dependence

Ahousaht receives a significant portion of its revenue pursuant to funding agreements with the Government of Canada through Indigenous Services Canada ("ISC"). These agreements are administered by ISC under the terms and conditions of the *Indian Act*. The ability of the Nation to continue operations is dependent upon the Government of Canada's continued financial commitments.

### 19. Budget Information

The unaudited budget data presented in these consolidated financial statements is based upon information provided by management.

Amortization was not contemplated on development of the budget and has been recognized at the amount expensed in the current year.

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# Ahousaht

## Notes to Consolidated Financial Statements

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March 31, 2022

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### 20. Expenses by Object

<b>For the year ended March 31</b>	<b>2022</b>	<b>2021</b>
Administration fees	\$ 22,827	\$ 408,455
Advertising	2,370	117
Amortization	1,937,982	1,958,222
Bad debts	174,197	172,969
Community Support / Donations	219,783	93,840
Community buildings	600,000	1,000,000
Consulting fees	441,807	417,085
Contracted services	1,023,568	829,279
Cultural Expense	-	1,913
Equipment rental and leases	59,909	62,647
Freight	46,165	29,146
Funerals	54,011	87,432
Honorariums	119,099	192,467
Insurance	383,057	353,554
Interest and bank charges	107,353	142,230
Meals and Entertainment	128,596	205,603
Office expenses	473,171	392,152
Other expenses	630,204	580,349
Professional fees	267,351	203,130
Reimbursable Expenses	(120,818)	42,881
Repairs and maintenance	209,434	659,773
Salaries, wages and benefits	9,111,391	8,098,240
Schooling	57,826	19,370
Social Assistance	1,212,745	1,536,746
Sports and recreation	30,969	14,007
Supplies	943,986	1,086,720
Training and professional development	59,099	13,190
Travel	2,122,688	1,476,198
Tuition and Student Allowances	173,194	202,639
Utilities	335,527	279,751
Vehicle	72,738	51,194
	<b>\$ 20,900,229</b>	<b>\$ 20,611,299</b>

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# Ahousaht

## Notes to Consolidated Financial Statements

March 31, 2022

### 21. Segmented information

	2022 Budget	Administration 2022 Actual	2021 Actual	2022 Budget	Ahousaht Patient Travel 2022 Actual	2021 Actual	2022 Budget	Cha-Chum-Hi-Yup-Tiichmis (CCHY) 2022 Actual	2021 Actual
<b>Revenues</b>									
Indigenous Services Canada	\$ -	\$ 3,008,325	\$ 2,328,040	\$ -	\$ -	\$ -	\$ -	\$ 213,739	\$ -
Nuu-Chah-Nulth Tribal Council Revenue	-	249,185	237,670	-	1,649,275	1,176,133	-	1,657,617	1,661,432
First Nations Health Authority	-	10,000	401,626	-	1,472	-	-	17,408	229,862
CMHC mortgage funds	-	24,000	18,000	-	-	-	-	-	-
Rental income	-	61,500	66,372	-	-	-	-	-	-
Other revenue	-	2,177,878	1,638,197	-	56,700	13	-	1,698,440	1,147,704
<b>Total revenue</b>	<b>-</b>	<b>5,530,888</b>	<b>4,689,905</b>	<b>-</b>	<b>1,707,447</b>	<b>1,176,146</b>	<b>-</b>	<b>3,587,204</b>	<b>3,038,998</b>
<b>Expenses</b>									
Salaries, wages and benefits	-	1,990,409	1,509,446	-	62,082	84,013	-	1,023,667	841,520
Amortization	-	1,012,334	1,015,427	-	-	-	-	-	-
Professional fees	-	71,967	57,431	-	-	4,651	-	4,174	6,646
Office, Supplies and Repairs & Maintenance	-	480,960	514,215	-	26,339	2,525	-	74,576	68,206
Insurance and Utilities	-	333,601	303,816	-	6,257	8,058	-	11,481	12,225
Travel and Vehicle	-	172,753	121,747	-	1,585,802	1,135,521	-	72,472	59,986
Consulting Fees and Contracted Services	-	679,858	504,850	-	8,129	6,234	-	128,057	223,386
Social Assistance	-	-	8,726	-	-	-	-	-	-
Other expenses	-	456,558	641,610	-	7,777	16,004	-	473,368	1,230,276
<b>Total expenses</b>	<b>-</b>	<b>5,198,440</b>	<b>4,677,268</b>	<b>-</b>	<b>1,696,386</b>	<b>1,257,006</b>	<b>-</b>	<b>1,787,795</b>	<b>2,442,245</b>
<b>Annual surplus (deficit)</b>	<b>\$ -</b>	<b>\$ 332,448</b>	<b>\$ 12,637</b>	<b>\$ -</b>	<b>\$ 11,061</b>	<b>\$ (80,860)</b>	<b>\$ -</b>	<b>\$ 1,799,409</b>	<b>\$ 596,753</b>

# Ahousaht

## Notes to Consolidated Financial Statements

March 31, 2022

### 21. Segmented information (continued)

	2022 Budget	Social Development 2022 Actual	2021 Actual	2022 Budget	Ahousaht Capital 2022 Actual	2021 Actual	2022 Budget	Operations and Maintenance 2022 Actual	2021 Actual
Revenues									
Indigenous Services Canada	\$ -	\$ 1,881,501	\$ 2,400,162	\$ -	\$ 6,377,975	\$ 9,331,765	\$ -	\$ 1,448,393	\$ 859,221
Nuu-Chah-Nulth Tribal Council Revenue	-	43,404	43,087	-	-	-	-	-	-
Other revenue	-	20	57	-	1,168,609	319,145	-	9,187	9,187
Total revenue	-	1,924,925	2,443,306	-	7,546,584	9,650,910	-	1,457,580	868,408
Expenses									
Salaries, wages and benefits	-	321,124	350,260	-	-	900	-	533,200	542,069
Professional fees	-	-	4,651	-	-	-	-	11,888	6,183
Office, Supplies and Repairs & Maintenance	-	39,250	20,251	-	3,336	30,375	-	117,679	125,910
Insurance and Utilities	-	7,105	8,058	-	-	-	-	74,220	37,750
Travel and Vehicle	-	10,117	217	-	650	-	-	41,778	18,422
Consulting Fees and Contracted Services	-	13,803	10,280	-	-	37,704	-	200,104	241,359
Social Assistance	-	1,212,745	1,528,019	-	-	-	-	-	-
Other expenses	-	9,408	166,251	-	386	201	-	33,792	(43,431)
Total expenses	-	1,613,552	2,087,987	-	4,372	69,180	-	1,012,661	928,262
Annual surplus (deficit)	\$ -	\$ 311,373	\$ 355,319	\$ -	\$ 7,542,212	\$ 9,581,730	\$ -	\$ 444,919	\$ (59,854)

# Ahousaht

## Notes to Consolidated Financial Statements

March 31, 2022

### 21. Segmented information (continued)

	2022 Budget	Forestry 2022 Actual	2021 Actual	2022 Budget	Fisheries 2022 Actual	2021 Actual	2022 Budget	Housing 2022 Actual	2021 Actual
Revenues									
Indigenous Services Canada	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 551,576	\$ 344,682
Nuu-Chah-Nulth Tribal Council Revenue	-	-	-	-	310,112	197,626	-	-	-
CMHC mortgage funds	-	-	-	-	-	-	-	60,755	66,381
Rental income	-	-	-	-	-	-	-	243,992	259,654
Other revenue	-	-	-	-	405,211	295,052	-	99,474	158,109
Total revenue	-	-	-	-	715,323	492,678	-	955,797	828,826
Expenses									
Salaries, wages and benefits	-	-	-	-	212,587	138,520	-	40,774	31,331
Amortization	-	-	-	-	-	-	-	546,440	570,910
Professional fees	-	-	-	-	-	10,307	-	-	4,400
Office, Supplies and Repairs & Maintenance	-	-	-	-	52,227	129,607	-	120,220	237,491
Insurance and Utilities	-	-	-	-	22,767	9,837	-	15,899	17,304
Travel and Vehicle	-	-	-	-	22,464	11,375	-	31,939	37,798
Consulting Fees and Contracted Services	-	364	1,644	-	202,786	12,334	-	355	32,329
Other expenses	-	3,615	(8,039)	-	(15,265)	16,980	-	121,428	253,197
Total expenses	-	3,979	(6,395)	-	497,566	328,960	-	877,055	1,184,760
Annual surplus (deficit)	\$ -	\$ (3,979)	\$ 6,395	\$ -	\$ 217,757	\$ 163,718	\$ -	\$ 78,742	\$ (355,934)



# Ahousaht

## Notes to Consolidated Financial Statements

March 31, 2022

### 21. Segmented information (continued)

	Ahousaht Education Authority			Chimannah Wellness Centre			Consolidated totals	
	2022 Budget	2022 Actual	2021 Actual	2022 Budget	2022 Actual	2021 Actual	2022 Actual	2021 Actual
Revenues								
Indigenous Services Canada	\$ -	\$ 5,532,178	\$ 5,419,372	-	\$ -	\$ -	\$ 19,013,687	\$ 20,683,242
Nuu-Chah-Nulth Tribal Council Revenue	-	72,697	77,938	-	-	-	3,982,290	3,393,886
First Nations Health Authority	-	-	-	-	-	-	28,880	631,488
CMHC mortgage funds	-	-	-	-	-	-	84,755	84,381
Rental income	-	105,524	208,073	-	-	-	411,016	534,099
Other revenue	-	2,963,191	1,730,503	-	-	33,161	8,578,710	5,331,128
Total revenue	-	8,673,590	7,435,886	-	-	33,161	32,099,338	30,658,224
Expenses								
Salaries, wages and benefits	-	4,927,548	4,600,181	-	-	-	9,111,391	8,098,240
Amortization	-	371,943	366,947	-	7,265	4,938	1,937,982	1,958,222
Professional fees	-	167,246	97,020	-	12,075	11,841	267,350	203,130
Office, Supplies and Repairs & Maintenance	-	709,333	1,006,054	-	2,672	4,011	1,626,592	2,138,645
Insurance and Utilities	-	247,255	236,258	-	-	-	718,585	633,306
Travel and Vehicle	-	253,797	137,929	-	3,654	4,396	2,195,426	1,527,391
Consulting Fees and Contracted Services	-	231,919	176,243	-	-	-	1,465,375	1,246,363
Social Assistance	-	-	-	-	-	-	1,212,745	1,536,745
Other expenses	-	1,265,382	994,809	-	8,334	1,399	2,364,783	3,269,257
Total expenses	-	8,174,423	7,615,441	-	34,000	26,585	20,900,229	20,611,299
Annual surplus (deficit)	\$ -	\$ 499,167	\$ (179,555)	-	\$ (34,000)	\$ 6,576	\$ 11,199,109	\$ 10,046,925

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# Ahousaht

## Notes to Consolidated Financial Statements

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March 31, 2022

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### 22. Segments

The Nation receives revenue and incurs expenses from many different projects and sources. For management and reporting purposes, the revenue, expenses and surplus or deficits are organized by segments. Summary Schedule of Operations by Program disclose the details of the Nation's revenue and expenses by segment. The Nation is organized into the following segments:

#### Administration

Includes general operations, support, and financial management of the Nation.

#### Patient Travel

Includes revenue and expenditures relating to patient travels.

#### Cha-Chum-Hi-Yup-Tiichmis

Includes activities related to the provision of health services within the Nation.

#### Social Development

Includes revenue and expenditures relating to the social assistance of the members of Ahousaht.

#### Operations & Maintenance

Includes the maintenance of infrastructure owned by the Nation.

#### Fisheries

Includes revenue and expenditures related to conservation and stewardship of the Nation's fisheries.

#### Forestry

Includes revenue and expenditures related to conservation and stewardship of the Nation's land and resources.

#### Ahousaht Capital

Includes revenue and expenditures related to capital projects.

#### Housing

Includes revenue and expenditures related to Social Housing programs carried on by the Nation.

#### Ahousaht Education Authority

Includes revenue and expenditures related to Ahousaht Education Authority.

#### Chimanah Wellness Centre

Includes revenue and expenditures related to the construction of the Chimanah Wellness Centre.