

Gitga'at First Nation
Consolidated Financial Statements
March 31, 2021

Gitga'at First Nation Contents

For the year ended March 31, 2021

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Management's Responsibility

To the Members of Gitga'at First Nation:

The accompanying consolidated financial statements of Gitga'at First Nation (the "First Nation") are the responsibility of management and have been approved by the Chief and Council.

Management is responsible for the preparation and presentation of the accompanying consolidated financial statements, including responsibility for significant accounting judgments and estimates in accordance with Canadian public sector accounting standards. This responsibility includes selecting appropriate accounting principles and methods, and making decisions affecting the measurement of transactions in which objective judgment is required.

In discharging its responsibilities for the integrity and fairness of the consolidated financial statements, management designs and maintains the necessary accounting systems and related internal controls to provide reasonable assurance that transactions are authorized, assets are safeguarded and financial records are properly maintained to provide reliable information for the preparation of consolidated financial statements.

The Gitga'at First Nation Chief and Council is responsible for overseeing management in the performance of its financial reporting responsibilities, and for approving the consolidated financial statements. The Chief and Council fulfils these responsibilities by reviewing the financial information prepared by management and discussing relevant matters with management and external auditors. The Chief and Council is also responsible for recommending the appointment of the First Nation's external auditors.

MNP LLP is appointed by Chief and Council on behalf of the Members to audit the consolidated financial statements and report directly to them; their report follows. The external auditors have full and free access to, and meet periodically and separately with, both the Chief and Council and management to discuss their audit findings.



Band Administrator

Independent Auditor's Report

To the Members of Gitga'at First Nation:

Opinion

We have audited the consolidated financial statements of Gitga'at First Nation and its subsidiaries (the "First Nation"), which comprise the consolidated statement of financial position as at March 31, 2021, and the consolidated statements of operations and accumulated surplus, changes in net financial assets and cash flows and the related schedules for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the First Nation as at March 31, 2021, and the results of its consolidated operations, changes in its net financial assets and its consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

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 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 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.

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 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 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 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 First Nation 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.

Kelowna, British Columbia

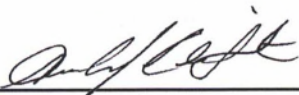
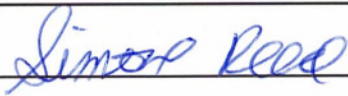

July 7, 2021


Chartered Professional Accountants

Gitga'at First Nation
Consolidated Statement of Financial Position
As at March 31, 2021

	2021	2020
Financial assets		
Cash (Note 4)	5,116,412	6,213,775
Accounts receivable (Note 5)	4,037,414	3,708,873
Marketable securities (Note 6)	12,244,514	12,099,748
Advances with Nation business entities (Note 7)	372,458	216,570
Investments in Nation business entities (Note 8)	1,517,289	1,443,050
Funds held in Ottawa trust (Note 9)	186,883	183,002
Total financial assets	23,474,970	23,865,018
Financial Liabilities		
Accounts payable and accruals (Note 10)	1,728,929	952,993
Deferred revenue (Note 11)	282,833	412,523
Capital lease obligations (Note 12)	-	23,243
Total financial liabilities	2,011,762	1,388,759
Net financial assets	21,463,208	22,476,259
Contingent liabilities (Note 14)		
Significant event (Note 19)		
Non-financial assets		
Tangible capital assets (Schedule 1)	25,658,970	23,735,134
Fishing licences (Note 3)	2,750,000	-
Prepaid expenses	513,315	212,283
Total non-financial assets	28,922,285	23,947,417
Accumulated surplus (Note 15)	50,385,493	46,423,676

Approved on behalf of Chief and Council

 _____	Chief		
_____	Councillor	 _____	Councillor
 _____	Councillor		

Gitga'at First Nation
Consolidated Statement of Operations and Accumulated Surplus
For the year ended March 31, 2021

	Schedules	2021 Budget (Note 16)	2021	2020
Revenue				
Indigenous Services Canada		3,287,984	4,595,411	5,744,651
First Nations Health Authority		998,164	1,475,062	1,592,711
Province of British Columbia		254,000	1,194,954	2,786,405
Department of Fisheries and Oceans		344,000	565,837	447,670
Canada Mortgage and Housing Corporation		-	109,050	18,000
Additional government funding		-	22,023	5,088,054
Other revenue		3,025,283	7,500,889	7,537,807
Interest and investment income		25	192,840	169,069
Own source revenue		-	173,984	78,232
Rental income		-	108,834	114,425
Administration fees		40,853	25,838	5,737
Tribal Resources Investment Corporation		-	11,195	10,835
Gain on sale of capital assets		-	9,855	-
Loss from investment in Nation business entities (Note 8)		-	(36,711)	(100,673)
		7,950,309	15,949,061	23,492,923
Program expenses				
Administration	3	1,078,117	856,750	801,345
Community Health	4	896,795	1,077,753	1,310,659
Special Projects	5	-	1,966,440	1,681,900
Development Corporation & Other	6	369,795	756,131	851,145
Economic Development & Gitga'at Clean Energy	7	65,731	496,402	329,933
Education	8	1,330,271	1,663,429	1,668,062
Fisheries, Guardian Watchman & Lands and Marine	9	2,677,143	1,965,488	1,645,989
Own Source Revenue & Forest and Range	10	-	986,954	1,055,299
Social Assistance	11	353,564	311,787	264,355
Village Operations & Capital Projects	12	884,729	1,906,110	1,843,071
		7,656,145	11,987,244	11,451,758
Annual surplus		294,164	3,961,817	12,041,165
Accumulated surplus, beginning of year		46,423,676	46,423,676	34,382,511
Accumulated surplus, end of year		46,717,840	50,385,493	46,423,676

The accompanying notes are an integral part of these financial statements

Gitga'at First Nation
Consolidated Statement of Changes in Net Financial Assets
For the year ended March 31, 2021

	2021 Budget (Note 16)	2021	2020
Annual surplus	294,164	3,961,817	12,041,165
Purchases of tangible capital assets	-	(3,696,743)	(1,763,021)
Amortization of tangible capital assets	-	1,566,303	1,350,562
Gain on sale of capital assets	-	(9,855)	-
Purchases of fishing licenses	-	(2,750,000)	-
Proceeds of disposal of tangible capital assets	-	12,000	-
Transition to investment in government business partnership	-	-	1,186,531
Writedown of tangible capital assets	-	204,459	-
	-	(4,673,836)	774,072
Acquisition of prepaid expenses	-	(513,315)	(212,282)
Use of prepaid expenses	-	212,283	135,437
	-	(301,032)	(76,845)
Increase (decrease) in net financial assets	294,164	(1,013,051)	12,738,392
Net financial assets, beginning of year	22,476,259	22,476,259	9,737,867
Net financial assets, end of year	22,770,423	21,463,208	22,476,259

The accompanying notes are an integral part of these financial statements

Gitga'at First Nation
Consolidated Statement of Cash Flows
For the year ended March 31, 2021

	2021	2020
Cash provided by (used for) the following activities		
Operating activities		
Annual surplus	3,961,817	12,041,165
Non-cash items		
Amortization	1,566,303	1,350,562
Bad debts	-	15,020
Change in portfolio investment	-	5,425
Gain on disposal of tangible capital assets	(9,855)	-
Loss from investment in Nation business entities	36,711	100,673
Writedown of tangible capital assets	204,459	-
	5,759,435	13,512,845
Changes in working capital accounts		
Accounts receivable	(328,541)	(1,322,981)
Prepaid expenses	(301,032)	(76,845)
Accounts payable and accruals	775,936	(649,520)
Deferred revenue	(129,690)	(267,056)
	5,776,108	11,196,443
Financing activities		
Repayment of capital lease obligation	(23,243)	(66,460)
Capital activities		
Purchases of tangible capital assets	(3,696,743)	(1,763,021)
Purchases of fishing licenses	(2,750,000)	-
Proceeds of disposal of tangible capital assets	12,000	-
	(6,434,743)	(1,763,021)
Investing activities		
Purchase of marketable securities	(8,862,328)	(10,450,836)
Disposal of marketable securities	8,717,562	922,915
Contributions to Nation business entities, net	(110,950)	(142,525)
Increase in funds held in trust	(3,881)	(4,615)
Advances to related Nation business entities, net	(155,888)	(109,047)
Transition to investment in Nation business partnership	-	(77,788)
	(415,485)	(9,861,896)
Decrease in cash resources	(1,097,363)	(494,934)
Cash resources, beginning of year	6,213,775	6,708,709
Cash resources, end of year	5,116,412	6,213,775

The accompanying notes are an integral part of these financial statements

1. Operations

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

2. Significant accounting policies

These consolidated financial statements are the representations of management, prepared in accordance with Canadian public sector accounting standards as set out in the CPA Canada Handbook - Public Sector Accounting as issued by the Public Sector Accounting Standards Board of Canada and including the following significant accounting policies:

Basis of presentation

Sources of revenue and expenses are recorded on the accrual basis of accounting. The accrual basis of accounting recognizes revenue as it becomes available and measurable; expenses are recognized as they are incurred and measurable as a result of the receipt of goods or services and the creation of a legal obligation to pay.

Reporting entity

The financial statements consolidate the financial activities of all entities and departments comprising the First Nation reporting entity, except for First Nation government business enterprises. Trusts administered on behalf of third parties by Gitga'at First Nation are excluded from the First Nation reporting entity.

The First Nation has consolidated the assets, liabilities, revenue and expenses of the following entity:

- Gitga'at Development Corporation

The First Nation has proportionately consolidated the assets, liabilities, revenue and expenses of the following entity:

- Ocean Destiny Joint Venture - 50%

All inter-entity balances have been eliminated on consolidation.

Nation business entities which are controlled and self-sustaining are reported 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 First Nation. Thus, the First 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 equity basis include:

- Gitga'at Forestry Inc.
- Gitga'at Economic Limited Partnership

Long term investments in entities on which the First Nation does not hold significant influence are recorded at cost. If there has been permanent decline in value, the investment is written down to its net realizable value.

Net financial assets

The First Nation's financial statements are presented so as to highlight net financial assets as the measurement of financial position. The net financial assets of the First Nation is determined by its financial assets less its liabilities. Net financial assets combined with non-financial assets comprise a second indicator of financial position, accumulated surplus.

Cash and cash equivalents

Cash and cash equivalents includes balances with banks and short-term investments with maturities of three months or less and restricted cash. Restricted cash includes cash which is restricted by an agreement with a third party.

Marketable securities

Investments such as marketable securities and term deposits with an original maturity date of more than three months after year-end are reported as marketable securities. Marketable securities are reported using the cost method. Provisions for declines in the market value of investments are recorded when they are considered to be other than temporary.

2. **Significant accounting policies** (Continued from previous page)

Portfolio investments

Long-term investments in entities that are not controlled by the First Nation reporting entity are accounted for using the cost method. They are recorded at cost, less any provision for other than temporary impairment.

Funds held in Ottawa Trust Fund

Funds held in trust on behalf of First Nation members by the Government of Canada in the Ottawa Trust Fund are reported on the statement of financial position. Trust moneys consist of:

- Capital trust monies derived from non-renewable resource transactions on the sale of land or other First Nation tangible capital assets; and
- Revenue trust monies generated primarily through land leasing transactions or interest earned on deposits held in trust.

Tangible capital assets

Tangible capital assets are initially recorded at cost based on historical cost accounting records. Contributed tangible assets are recorded at their fair value at the date of contribution.

All intangibles, excluding purchased intangibles, and items inherited by the First Nation, such as reserve lands, forests, water and mineral resources, are not recognized in the First Nation's consolidated financial statements.

Capital leases

A lease that transfers substantially all of the benefits and risks of ownership is classified as a capital lease. At the inception of a capital lease, an asset and a payment obligation is recorded at the present value of the minimum lease payments. Assets under capital leases are amortized on the declining balance basis, over their estimated useful lives. All other leases are accounted for as operating leases and rental payments are expensed as incurred.

Amortization

Tangible capital assets are amortized annually using the declining balance method at rates intended to amortize the cost of the assets over their estimated useful lives:

	Rate
Infrastructure	4-5 %
Equipment	20 %
Boats	15 %
Vehicles	30 %

Purchased intangible assets

Purchased intangible assets are initially recorded at cost, which approximates fair value on initial recognition.

Purchased intangible assets includes fishing licenses with indefinite lives.

Defined contribution pension plan

The First Nation has a defined contribution pension plan under which the First Nation pays fixed contributions into a separate entity (a fund) and will have no legal or constructive obligation to pay further amounts. The contributions payable to the defined contribution plan are recognized as a liability and an expense during the periods which employees render service. Prepaid contributions are recognized as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

2. **Significant accounting policies** (Continued from previous page)

Liability for contaminated sites

A liability for remediation of a contaminated site is recognized at the best estimate of the amount required to remediate the contaminated site when contamination exceeding an environmental standard exists, the First Nation is either directly responsible or accepts responsibility, it is expected that future economic benefits will be given up, and a reasonable estimate of the amount is determinable. The best estimate of the liability includes all costs directly attributable to remediation activities and is reduced by expected net recoveries based on information available at March 31, 2021.

At each financial reporting date, the First Nation reviews the carrying amount of the liability. Any revisions required to the amount previously recognized is accounted for in the period revisions are made. The First Nation continues to recognize the liability until it is settled or otherwise extinguished. Disbursements made to settle the liability are deducted from the reported liability when they are made.

As at March 31, 2021, management has determined no liability is required to be recorded.

Measurement uncertainty

The preparation of the consolidated financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenue and expenses during the reporting period.

Accounts receivable are stated after evaluation as to their collectability and an appropriate allowance for doubtful accounts is provided where considered necessary.

Amortization is based on the estimated useful lives of tangible capital assets.

Legal provisions are recorded when the likelihood of loss and amount of settlement can be determined.

Liabilities for contaminated sites are based on the best information available regarding potentially contaminated sites that Gitga'at First Nation is responsible for.

These estimates are reviewed periodically and, as adjustments become necessary, they are reported in operations in the periods in which they become known.

Revenue recognition

Government transfers

The First Nation recognizes a government transfer as revenue when the transfer is authorized and all eligibility criteria, if any, have been met. A government transfer with stipulations giving rise to an obligation that meets the definition of a liability is recognized as a liability. In such circumstances, the First Nation recognizes revenue as the liability is settled. Transfers of non-depreciable assets are recognized in revenue when received or receivable.

Externally restricted revenue

The First Nation recognizes externally restricted inflows as revenue in the period the resources are used for the purpose specified in accordance with an agreement or legislation. Until this time, the First Nation records externally restricted inflows in deferred revenue.

Funds held in Ottawa Trust Fund

Revenue related to the receipt of funds held in the Ottawa Trust Fund is recognized when it is earned.

Other

Investment income is recognized in the period earned.

Rental and other revenue is recognized when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Gitga'at First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2021

3. Change in accounting policy

Effective April 1, 2020, the First Nation early adopted the recommendations relating to purchased intangible assets, as set out in the Canadian public sector accounting standards. The change was not applied retroactively.

Previously, PS 1201 prohibited recognition of purchased intangible assets. Under the new recommendations, purchased intangible assets are not prohibited and may be recognized, as described in Note 2.

4. Cash

The First Nation has available a \$350,000 line of credit (2020 - \$350,000) which bears interest at prime plus 2% per annum and is secured by certain term deposits. At March 31, 2021, there is no balance outstanding on the line of credit (2020 - no balance outstanding).

Cash includes restricted cash of \$1,121,513 (2020 - \$458,983) which is restricted by the Limited Partnership agreement between the First Nation and BC First Nations Gaming Revenue Sharing Limited Partnership, and can only be used for certain operating and capital expenditures or permitted investments.

5. Accounts receivable

	2021	2020
Indigenous Services Canada	229,211	66,474
Other government receivables	2,455,258	2,711,462
Members	107,367	1,013,800
Trade and other receivables	1,237,520	769,213
Interest receivable	83,301	117,279
	4,112,657	4,678,228
Less: Allowance for doubtful accounts	75,243	969,355
	4,037,414	3,708,873

6. Marketable securities

Marketable securities are held in GIC's at Northern Savings Credit Union, bearing interest between 0.35% and 2.45% (2020 - 0.85% and 2.45%) with maturity dates ranging between October 2021 and December 2023.

7. Advances with Nation business entities

Advances to (from) related Nation business entities are summarized as follows:

	2021	2020
Gitga'at Economic Limited Partnership	145,677	93,482
Gitga'at Forestry Inc.	(66,323)	(76,912)
North Co-Corp Ferry Services Ltd.	200,000	200,000
North Coast-Skeena First Nations Stewardship Society	93,104	-
	372,458	216,570

These balances are non-interest bearing, unsecured and have no specific terms of repayment.

Gitga'at First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2021

8. Investments in Nation business entities

The First Nation has investments in the following business entities:

	<i>Investment balance, beginning of year</i>	<i>Contributions</i>	<i>Withdrawals</i>	<i>Share of earnings (loss)</i>	<i>2021 Investment balance, end of year</i>
Wholly-owned businesses					
Gitga'at Forestry Inc.	538,349	-	-	69,649	607,998
First Nation business partnerships					
Gitga'at Economic Limited Partnership - 100%	813,498	110,950	-	(137,675)	786,773
Portfolio investments, at cost:					
North Co-Corp Ferry Services Ltd. - 33%	30,002	-	-	-	30,002
North Coast Skeena First Nation Stewardship Society - 17.93%	1	-	-	-	1
Great Bear Carbon Credit Limited Partnership - 6%	61,090	-	-	31,315	92,405
BC First Nation Gaming Revenue Sharing Limited Partnership	100	-	-	-	100
BCFN GRS GP Inc.	10	-	-	-	10
	91,203	-	-	31,315	122,518
	1,443,050	110,950	-	(36,711)	1,517,289

Gitga'at First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2021

8. **Investments in Nation business entities** (Continued from previous page)

	<i>Investment balance, beginning of year</i>	<i>Cost at transition</i>	<i>Contributions</i>	<i>Withdrawals</i>	<i>Share of earnings (loss)</i>	<i>Investment balance, end of year</i>
<i>2020</i>						
Wholly-owned businesses						
Gitga'at Forestry Inc.	587,613	-	-	-	(49,264)	538,349
First Nation business partnerships						
Gitga'at Economic Limited Partnership - 100%	-	716,958	144,449	(1,924)	(45,985)	813,498
Gitga'at Marine Services Limited Partnership - 100%	44,604	(44,604)	-	-	-	-
	44,604	672,354	144,449	(1,924)	(45,985)	813,498
Portfolio investments, at cost:						
North Co-Corp Ferry Services Ltd. - 33%	30,002	-	-	-	-	30,002
North Coast Skeena First Nation Stewardship Society - 17.93%	1	-	-	-	-	1
Great Bear Carbon Credit Limited Partnership - 6%	66,514	-	-	-	(5,424)	61,090
BC First Nation Gaming Revenue Sharing Limited Partnership	-	-	100	-	-	100
BCFN GRS GP Inc.	-	-	10	-	-	10
	96,517	-	110	-	(5,424)	91,203
	728,734	672,354	144,559	(1,924)	(100,673)	1,443,050

Gitga'at First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2021

8. Investments in Nation business entities *(Continued from previous page)*

Summary financial information for each First Nation business enterprise, accounted for using the modified equity method, for the respective year-end is as follows:

	Gitga'at Forestry Inc As at March 31, 2021 (Unaudited)	Gitga'at Economic Limited Partnership December 31, 2020 (Unaudited)
Assets		
Cash	92,867	342
Term deposits	-	15,269
Accounts receivable	-	10,922
Investments	-	13,372
Receivable from related parties	701,381	-
Property, plant and equipment	-	1,085,387
Total assets	794,248	1,125,292
Liabilities		
Accounts payable and accruals	6,769	9,478
Deferred revenue	-	10,271
Investments	-	42,891
Payable to related parties	179,480	455,578
Total liabilities	186,249	518,218
Net assets	607,999	607,074
Total revenue	86,400	41,988
Total expenses	16,751	179,663
Net income (loss)	69,649	(137,675)

9. Funds held in Ottawa trust

Capital and revenue trust monies are transferred to the First Nation on the authorization of the First Nation's Council, with the consent of the Minister of Indigenous Services Canada.

	2021	2020
Capital Trust		
Balance, beginning and end of year	80,180	80,180
Revenue Trust		
Balance, beginning of year	102,822	98,207
Interest	2,147	2,882
BC Special distribution	1,734	1,733
Balance, end of year	106,703	102,822
	186,883	183,002

Gitga'at First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2021

9. Funds held in Ottawa trust (Continued from previous page)

Ottawa Trust Funds

The Ottawa Trust accounts arise from monies derived from capital or revenue sources as outlined in Section 62 of the *Indian Act*. These funds are held in trust in the Consolidated Revenue Fund of the Government of Canada and are subject to audit by the Office of the Auditor General of Canada. The management of these funds is primarily governed by Sections 63 to 69 of the *Indian Act*.

10. Accounts payable and accruals

	2021	2020
Indigenous Services Canada	100,000	100,000
Accrued salaries and employee benefits payable	142,663	201,555
Other accrued liabilities	78,158	101,165
Trade accounts payable	1,408,108	550,273
	1,728,929	952,993

11. Deferred revenue

The First Nation's deferred revenue is as follows:

	2020 <i>Deferred Revenue</i>	Current Year <i>Funding Received</i>	Current Year <i>Revenue Recognized</i>	2021 <i>Deferred Revenue</i>
First Nation Health Authority	6,000	-	6,000	-
Indigenous Services Canada	42,428	-	42,428	-
Other government	52,036	80,887	101,085	31,838
Other funding sources	312,059	250,995	312,059	250,995
	412,523	331,882	461,572	282,833

12. Capital lease obligations

	2021	2020
National Leasing equipment lease paid in full	-	23,243

13. Defined contribution pension plan

During the year, the First Nation contributed \$59,292 (2020 - \$60,835) to the defined contribution pension plan.

14. Contingent liabilities

The First Nation has guaranteed CMHC RRAP loans on behalf of band members that are forgivable on the condition that the First Nation continues to own the unit and it is occupied by band members with a total household income at or below the income threshold during the earning period of the loans. If the First Nation sells, transfers or ceases to operate the property before the maturity date, the unearned forgivable loan plus interest will immediately become due and payable. Balance of the loans at March 31, 2021 is \$117,166 (2020 - \$33,972). No amount has been recorded by the First Nation.

Gitga'at First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2021

15. Accumulated surplus

Accumulated surplus consists of the following:

	2021	2020
Restricted cash	1,121,513	458,983
Investment in Nation business entities	1,517,289	1,443,050
Trust funds held by federal government	186,883	183,002
Investment in tangible capital assets	25,658,970	23,711,891
Fishing licenses	2,750,000	-
	31,234,655	25,796,926
Unexpended funding available for operations	19,609,821	20,626,750
	50,844,476	46,423,676

16. Budget information

The disclosed budget information was approved by the Chief and Council of the Gitga'at First Nation. Certain segments do not have budgets prepared.

17. Economic dependence

Gitga'at First Nation receives a significant portion of its revenue from Indigenous Services Canada (ISC) as a result of funding agreements entered into with the Government of Canada. These funding agreements are administered by ISC under the terms and conditions of the *Indian Act*. The ability of the First Nation to continue operations is dependent upon the Government of Canada's continued financial commitments as guaranteed by these funding agreements.

18. Segments

The First Nation receives revenue and incurs expenses for many different projects and sources. For management and reporting purposes, the revenue, expenses and annual surplus or deficits are organized by segments. Schedules 3 to 12 disclose the details of the First Nation's revenue and expenses by segment. The First Nation is organized into the following segments:

Administration

The segment provides band support, governance and administrative services for the operations of the First Nation including various financial functions such as payroll, accounts receivable and accounts payable.

Community Health

This segment is responsible for the operation of health facilities and the delivery of programs to support child development and community health.

Special Projects

This segment is responsible for providing assistance to the First Nation's members when looking for employment and delivering training programs for skill development. The First Nation is engaging in a number of agreements for capacity development.

Development Corporation & Other

The Gitga'at Development Corporation is responsible for generating economic activity through the development of partnerships, business ventures and joint ventures.

18. Segments (Continued from previous page)

Economic Development & Gitga'at Clean Energy

This segment implements community economic development planning and capacity building initiatives that will benefit the First Nation by enhancing employment and income generating activities.

Education

This segment is responsible for managing and delivering kindergarten to grade 12 education programs and services as well as the management of post-secondary student funding and support programs.

Fisheries, Guardian Watchman & Lands and Marine

This segment is responsible for maintaining the First Nation's fishing licences, delivery of land and ocean programs and research and risk assessments relating to climate change. There is also a focus on the conservation and preservation of the First Nation's traditional territory.

Own Source Revenue & Forest and Range

This segment is responsible for collecting own source revenue generated by the First Nation as well as Forest and Range income. Forest and Range income is used for activities that benefit the First Nation such as housing projects, economic development and activities for the elders.

Social Assistance

This segment administers benefits and services to individuals and families living on reserve who are in need of support. Department services include income assistance, home to work transition assistance, assisted living, family violence prevention and awareness and the national child benefit reinvestment.

Village Operations & Capital Projects

This segment maintains village infrastructure and implements capital projects undertaken by the First Nation. Infrastructure includes buildings, the subdivision, electrical and sanitation systems.

19. Significant event

In March, 2020, there was a global outbreak of COVID-19 (coronavirus), which has had a significant impact on businesses through the restrictions put in place by the Canadian provincial and municipal governments regarding travel, business operations and isolation/quarantine orders. At this time, it is unknown the extent of the impact the COVID-19 outbreak may have on the First Nation as this will depend on future developments that are highly uncertain and that cannot be predicted with confidence. These uncertainties arise from the inability to predict the ultimate geographic spread of the disease, and the duration of the outbreak, including the duration of travel restrictions, business closures or disruptions, and quarantine/isolation measures that are currently, or may be put, in place by Canada and other countries to fight the virus.

Gitga'at First Nation
Schedule 1 - Consolidated Schedule of Tangible Capital Assets
For the year ended March 31, 2021

	Infrastructure	Equipment	Boats	Vehicles	Assets under construction	2021	2020
Cost							
Balance, beginning of year	32,222,825	3,953,118	3,724,853	298,655	638,916	40,838,367	40,313,749
Acquisition of tangible capital assets	-	873,466	-	94,101	2,729,176	3,696,743	1,763,021
Construction-in-progress	-	191,596	-	-	(191,596)	-	-
Disposal of tangible capital assets	-	(14,723)	-	-	-	(14,723)	-
Writedown of tangible capital assets	-	-	-	-	(204,459)	(204,459)	-
Transition to investment in Nation business partnership	-	-	-	-	-	-	(1,238,403)
Balance, end of year	32,222,825	5,003,457	3,724,853	392,756	2,972,037	44,315,928	40,838,367
Accumulated amortization							
Balance, beginning of year	13,304,464	2,873,431	696,026	229,312	-	17,103,233	15,804,542
Annual amortization	758,923	318,138	454,326	34,916	-	1,566,303	1,350,562
Accumulated amortization on disposals	-	(12,578)	-	-	-	(12,578)	-
Transition to investment in Nation business partnership	-	-	-	-	-	-	(51,871)
Balance, end of year	14,063,387	3,178,991	1,150,352	264,228	-	18,656,958	17,103,233
Net book value of tangible capital assets	18,159,438	1,824,466	2,574,501	128,528	2,972,037	25,658,970	23,735,134
2020 Net book value of tangible capital assets	18,918,361	1,079,687	3,028,827	69,343	638,916	23,735,134	

Gitga'at First Nation
Schedule 2 - Schedule of Consolidated Expenses by Object
For the year ended March 31, 2021

	2021	2021	2020
Consolidated expenses by object			
Advertising and donations	-	1,020,710	901,791
Amortization	-	1,566,303	1,350,562
Awards	-	60,000	40,000
Bad debts	14,355	20,737	15,020
Bank charges and interest	24,844	3,230	8,879
Consulting and contracts	2,035,042	2,889,397	2,833,885
Employee benefits	364,658	322,864	305,908
Equipment and facility rental	225,117	4,810	7,122
Honoraria	244,853	197,350	199,076
Income assistance	49,686	16,062	31,401
Insurance	154,847	219,317	187,018
Office, program supplies and miscellaneous	871,931	1,263,066	962,737
Professional fees	81,217	161,010	234,479
Property tax	-	-	4,391
Rent and occupancy costs	61,482	7,100	8,800
Repairs and maintenance	462,372	220,763	76,758
Salaries and wages	2,132,475	2,601,253	2,342,100
Social assistance	551	29,850	-
Writedown of tangible capital assets	-	204,459	4,133
Student and school allowance	211,986	298,068	430,477
Telephone	60,838	80,604	78,462
Training	140,073	51,644	100,001
Travel	216,681	323,355	811,624
Tuition	110,409	100,781	112,428
Utilities, fuel and other	192,728	324,511	404,086
Village celebrations	-	-	620
	7,656,145	11,987,244	11,451,758

**Gitga'at First Nation
Administration**

Schedule 3 - Consolidated Schedule of Revenue and Expenses
For the year ended March 31, 2021

	2021 Budget (Note 16)	2021	2020
Revenue			
Indigenous Services Canada	319,892	311,575	334,386
Province of British Columbia	-	-	5,978
Interest and investment income	25	171,180	144,184
Administration fees	40,853	25,838	5,737
Other revenue	21,752	7,731	23,241
Rental income	-	150	-
	382,522	516,474	513,526
Expenses			
Advertising and donations	-	2,200	1,972
Amortization	-	129,396	129,043
Bad debts	14,355	10,339	15,020
Bank charges and interest	24,844	1,886	2,869
Consulting and contracts	142,428	162,460	114,163
Employee benefits	46,373	36,064	48,895
Equipment and facility rental	5,744	10	10
Honoraria (recovery)	149,053	-	(600)
Insurance	10,710	17,416	16,360
Office, program supplies and miscellaneous	82,212	142,690	73,220
Professional fees	66,799	64,899	41,640
Salaries and wages	335,313	293,882	339,426
Telephone (recovery)	60,063	(12,299)	4,513
Training	-	4,250	629
Travel	75,080	24,348	38,089
Tuition	-	100	-
Utilities, fuel and other (recovery)	65,143	(20,891)	(23,904)
	1,078,117	856,750	801,345
Deficit before transfers	(695,595)	(340,276)	(287,819)
Transfers between programs	-	(126,634)	(128,917)
Annual deficit	(695,595)	(466,910)	(416,736)

Gitga'at First Nation
Community Health

Schedule 4 - Consolidated Schedule of Revenue and Expenses
For the year ended March 31, 2021

	2021 Budget (Note 16)	2021	2020
Revenue			
First Nations Health Authority	998,164	1,470,062	1,592,711
Province of British Columbia	-	30,000	30,000
Other revenue	-	1,500	7,686
Opening deferred revenue	-	-	21,600
	998,164	1,501,562	1,651,997
Expenses			
Advertising and donations	-	-	2,288
Amortization	-	145,296	141,386
Bank charges and interest	-	339	572
Consulting and contracts	205,500	235,278	347,168
Employee benefits	37,019	34,479	36,448
Equipment and facility rental	-	4,800	-
Insurance	-	15,978	14,040
Office, program supplies and miscellaneous	412,602	170,487	152,197
Rent and occupancy costs (recovery)	-	(4,800)	6,000
Repairs and maintenance	-	12,000	12,000
Salaries and wages	205,664	265,283	244,997
Telephone	-	9,658	10,865
Training	11,010	-	600
Travel	-	163,427	309,033
Utilities, fuel and other	25,000	25,528	33,065
	896,795	1,077,753	1,310,659
Surplus before transfers	101,369	423,809	341,338
Transfers between programs	-	(33,576)	(28,146)
Annual surplus	101,369	390,233	313,192

Gitga'at First Nation
Special Projects
Schedule 5 - Consolidated Schedule of Revenue and Expenses
For the year ended March 31, 2021

	2021 Budget (Note 16)	2021	2020
Revenue			
Province of British Columbia	-	672,732	666,235
Indigenous Services Canada	-	435,629	70,478
Government of Canada - Department of Fisheries and Oceans	-	52,000	52,000
Additional government funding	-	-	319,584
Other revenue	-	2,498,496	2,261,624
Opening deferred revenue	-	281,171	90,000
Interest and investment income	-	3,882	4,615
Closing deferred revenue	-	(166,916)	(281,171)
	-	3,776,994	3,183,365
Expenses			
Advertising and donations	-	143,000	-
Amortization	-	6,360	4,937
Awards	-	60,000	40,000
Bank charges and interest	-	1	23
Consulting and contracts	-	568,588	161,614
Employee benefits	-	81,736	65,101
Honoraria	-	7,551	7,500
Office, program supplies and miscellaneous	-	255,509	420,962
Professional fees	-	26,203	51,749
Rent and occupancy costs (recovery)	-	-	(9,750)
Salaries and wages	-	645,038	509,016
Student and school allowance	-	50,068	148,926
Telephone	-	41,511	15,963
Training	-	38,675	75,403
Travel	-	38,594	170,315
Tuition	-	2,101	19,090
Utilities, fuel and other	-	1,505	1,051
	-	1,966,440	1,681,900
Surplus before transfers	-	1,810,554	1,501,465
Transfers between programs	-	320,901	134,739
Annual surplus	-	2,131,455	1,636,204

Gitga'at First Nation
Development Corporation & Other
Schedule 6 - Consolidated Schedule of Revenue and Expenses
For the year ended March 31, 2021

	2021 <i>Budget</i> <i>(Note 16)</i>	2021	2020
Revenue			
Government funding			
Indigenous Services Canada	-	123,042	-
Other revenue	408,531	571,814	248,188
Interest and investment income	-	-	702
Loss from investment in Nation business entities	-	(36,711)	(100,673)
	408,531	658,145	148,217
Expenses			
Advertising and donations	-	15	5,266
Amortization	-	2,423	3,254
Bad debts	-	10,398	-
Bank charges and interest	-	442	910
Consulting and contracts	63,345	269,481	288,347
Employee benefits	-	34,217	23,976
Honoraria	31,000	127,006	132,019
Insurance	-	3,523	119
Office, program supplies and miscellaneous	7,000	7,408	8,392
Professional fees	10,000	53,471	115,619
Property tax	-	-	4,391
Rent and occupancy costs	14,000	11,900	14,800
Repairs and maintenance	-	-	60
Salaries and wages	190,000	193,532	116,287
Telephone	-	12,716	11,721
Training	2,500	6,720	-
Travel	51,950	22,879	124,957
Utilities, fuel and other	-	-	1,027
	369,795	756,131	851,145
Surplus (deficit) before transfers	38,736	(97,986)	(702,928)
Transfers between programs	-	148,580	202,848
Annual surplus (deficit)	38,736	50,594	(500,080)

Gitga'at First Nation
Economic Development & Gitga'at Clean Energy
Schedule 7 - Consolidated Schedule of Revenue and Expenses
For the year ended March 31, 2021

	2021 <i>Budget</i> <i>(Note 16)</i>	2021	2020
Revenue			
Indigenous Services Canada	73,037	71,137	113,415
Province of British Columbia	-	250	-
Other revenue	-	794,142	555,358
Rental income	-	22,250	7,625
	73,037	887,779	676,398
Expenses			
Advertising and donations	-	-	3,488
Bank charges and interest	-	-	6
Consulting and contracts	16,734	110,202	53,819
Employee benefits	1,658	17,934	11,305
Insurance	-	19,726	14,750
Office, program supplies and miscellaneous	4,883	13,205	24,997
Professional fees	4,418	2,684	965
Repairs and maintenance	8,835	98,514	12,712
Salaries and wages	27,432	190,235	152,174
Telephone	996	1,200	1,200
Travel	-	378	6,549
Utilities, fuel and other	775	42,324	47,968
	65,731	496,402	329,933
Surplus before transfers	7,306	391,377	346,465
Transfers between programs	-	128,912	371,239
Annual surplus	7,306	520,289	717,704

Gitga'at First Nation
Education

Schedule 8 - Consolidated Schedule of Revenue and Expenses
For the year ended March 31, 2021

	2021 <i>Budget</i> <i>(Note 16)</i>	2021	2020
Revenue			
Indigenous Services Canada	1,478,086	1,520,291	1,495,568
Tribal Resources Investment Corporation	-	11,195	10,835
FNESC	-	4,909	4,156
Other revenue	-	2,500	2,500
	1,478,086	1,538,895	1,513,059
Expenses			
Amortization	-	366,256	360,572
Consulting and contracts	777,277	730,097	796,690
Employee benefits	3,206	4,800	7,080
Equipment and facility rental	7,181	-	5,400
Insurance	29,812	37,769	33,155
Office, program supplies and miscellaneous	54,250	83,655	25,718
Salaries and wages	57,784	55,217	77,430
Student and school allowance	211,986	248,000	185,173
Telephone	775	265	393
Training	-	2,000	-
Travel	8,031	16,528	34,354
Tuition	110,409	98,579	87,499
Utilities, fuel and other	69,560	20,263	54,598
	1,330,271	1,663,429	1,668,062
Surplus (deficit) before transfers	147,815	(124,534)	(155,003)
Transfers between programs	-	(113,455)	(77,519)
Annual surplus (deficit)	147,815	(237,989)	(232,522)

Gitga'at First Nation
Fisheries, Guardian Watchman & Lands and Marine
Schedule 9 - Consolidated Schedule of Revenue and Expenses

For the year ended March 31, 2021

	2021 <i>Budget</i> <i>(Note 16)</i>	2021	2020
Revenue			
Government of Canada - Department of Fisheries and Oceans	344,000	513,837	395,670
Province of British Columbia	254,000	401,085	584,458
Indigenous Services Canada	41,000	-	199,811
Other revenue	2,595,000	1,673,907	1,372,096
Own source revenue	-	173,984	78,232
Opening deferred revenue	-	122,430	220,036
Lease and licence income	-	18,412	-
Rental income	-	4,750	21,381
Closing deferred revenue	-	(81,916)	(122,430)
	3,234,000	2,826,489	2,749,254
Expenses			
Advertising and donations	-	1,044	10,018
Amortization	-	562,741	391,109
Bank charges and interest	-	22	77
Consulting and contracts	580,000	176,410	195,191
Employee benefits	223,729	68,318	59,244
Equipment and facility rental	189,000	3,000	428
Honoraria	64,800	62,918	60,157
Insurance	60,000	30,780	27,763
Office, program supplies and miscellaneous	115,200	168,186	131,422
Professional fees	-	13,752	24,508
Repairs and maintenance	348,000	98,717	45,619
Salaries and wages	894,914	609,494	481,715
Telephone	-	19,134	25,991
Training	110,000	-	18,165
Travel	73,500	41,665	72,299
Utilities, fuel and other	18,000	109,307	101,663
Village celebrations	-	-	620
	2,677,143	1,965,488	1,645,989
Surplus before transfers	556,857	861,001	1,103,265
Transfers between programs	-	(336,000)	(66,625)
Annual surplus	556,857	525,001	1,036,640

Gitga'at First Nation
Own Source Revenue & Forest and Range
Schedule 10 - Consolidated Schedule of Revenue and Expenses
For the year ended March 31, 2021

	2021 Budget (Note 16)	2021	2020
Revenue			
Additional government funding	-	22,023	4,768,470
Province of British Columbia	-	10,000	10,000
Other revenue	-	1,580,918	1,501,849
Lease and licence income	-	99,847	142,880
Rental income	-	77,684	79,844
Interest and investment income	-	17,778	19,568
	-	1,808,250	6,522,611
Expenses			
Advertising and donations	-	874,451	878,758
Bank charges and interest	-	18	83
Consulting and contracts	-	10,159	7,100
Employee benefits	-	502	459
Equipment and facility rental (recovery)	-	(3,000)	-
Honoraria (recovery)	-	(125)	-
Insurance	-	1,614	1,420
Office, program supplies and miscellaneous	-	89,383	36,979
Rent and occupancy costs (recovery)	-	(4,800)	(4,800)
Salaries and wages	-	3,641	3,564
Student and school allowance	-	-	96,377
Telephone	-	282	564
Travel	-	222	5,852
Tuition	-	-	5,840
Utilities, fuel and other	-	14,607	23,103
	-	986,954	1,055,299
Surplus before transfers	-	821,296	5,467,312
Transfers between programs	-	(179,987)	(693,836)
Annual surplus	-	641,309	4,773,476

Gitga'at First Nation
Social Assistance

Schedule 11 - Consolidated Schedule of Revenue and Expenses
For the year ended March 31, 2021

	2021 <i>Budget</i> <i>(Note 16)</i>	2021	2020
Revenue			
Indigenous Services Canada	392,853	386,149	381,032
Other revenue	-	22,817	20,500
Opening deferred revenue	-	-	20,500
	392,853	408,966	422,032
Expenses			
Amortization	-	47,372	46,306
Bank charges and interest	-	-	6
Consulting and contracts (recovery)	16,787	18,959	(1,248)
Employee benefits	14,687	12,829	12,671
Income assistance	49,686	16,062	31,401
Office, program supplies and miscellaneous	61,144	53,000	40,005
Rent and occupancy costs	13,250	4,800	4,800
Salaries and wages	178,464	123,671	114,037
Social assistance	551	29,850	-
Telephone	-	600	600
Training	16,563	-	5,204
Travel	-	120	6,049
Utilities, fuel and other	2,432	4,524	4,524
	353,564	311,787	264,355
Surplus before transfers	39,289	97,179	157,677
Transfers between programs	-	(431,164)	(20,500)
Annual surplus (deficit)	39,289	(333,985)	137,177

Gitga'at First Nation
Village Operations & Capital Projects
Schedule 12 - Consolidated Schedule of Revenue and Expenses
For the year ended March 31, 2021

	2021 Budget (Note 16)	2021	2020
Revenue			
Indigenous Services Canada	983,116	1,747,588	3,149,961
Canada Mortgage and Housing Corporation	-	109,050	18,000
Province of British Columbia	-	80,887	1,489,733
First Nations Health Authority	-	5,000	-
Other revenue	-	100,966	1,449,194
Gain on sale of capital assets	-	9,855	-
Rental income	-	4,000	5,575
Closing deferred revenue	-	(31,838)	-
	983,116	2,025,508	6,112,463
Expenses			
Amortization	-	306,460	273,955
Bank charges and interest	-	522	4,335
Consulting and contracts	232,971	607,763	871,040
Employee benefits	37,986	31,986	40,728
Equipment and facility rental	23,192	-	1,284
Insurance	54,325	92,511	79,411
Office, program supplies and miscellaneous	178,329	279,542	48,836
Rent and occupancy costs (recovery)	12,149	-	(2,250)
Repairs and maintenance	83,931	11,532	6,368
Salaries and wages	242,904	221,261	303,454
Writedown of tangible capital assets	-	204,459	4,133
Telephone	-	7,537	6,651
Travel	7,124	15,194	44,128
Utilities, fuel and other	11,818	127,343	160,998
	884,729	1,906,110	1,843,071
Surplus before transfers	98,387	119,398	4,269,392
Transfers between programs	-	622,421	306,715
Annual surplus	98,387	741,819	4,576,107

Gitga'at First Nation
Program Schedules
March 31, 2021