
Consolidated financial statements of Nisga'a Lisims Government

March 31, 2022

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Management's Responsibility for Financial Reporting

The consolidated financial statements of the Nisga'a Lisims Government (the "Government") and related information contained in these consolidated financial statements is the responsibility of management.

The consolidated financial statements have been prepared in accordance with the accounting policies set out in Note 2 to the consolidated financial statements and comply with the recommendations of the Public Sector Accounting Board ("PSAB") of the Chartered Professional Accountants of Canada and the Nisga'a Financial Administration Act of the Nisga'a Lisims Government, except as referenced to in note 12 of the consolidated financial statements. When alternative accounting methods exist, management has chosen those that are more appropriate. Where required, management's best estimates and judgments have been applied in the preparation of these financial statements.

The Government fulfills its accounting and reporting responsibilities through the Office of the Secretary Treasurer and Chief Financial Officer by maintaining a system of financial management and internal control. The systems are continually enhanced and modified to provide reasonable assurance that transactions are appropriately authorized and accurately recorded, to safeguard and control the Government's assets, and to ensure all transactions are in accordance with the Nisga'a Financial Administration Act.

Wilp Si'ayuukhl Nisga'a ("WSN") (the Government's legislative assembly), the Executive and the Finance Committee are responsible for ensuring that management fulfills its responsibilities for financial reporting, and WSN is ultimately responsible for reviewing and approving the consolidated financial statements.

WSN, the Executive and the Finance Committee meet periodically with management, as well as the auditors, to discuss internal controls over the financial reporting issues, to satisfy themselves that each party is properly discharging their responsibilities, and to review the consolidated financial statements and the independent auditor's report. They take this information into consideration when approving the consolidated financial statements for issuance to the citizens of Nisga'a Nation. WSN, the Executive and the Finance Committee also consider the engagement of the external auditors.

Deloitte LLP performs an annual audit of the consolidated financial statements in order to express an opinion as to whether the consolidated financial statements present fairly, in all material respects, the financial position of the Government and the results of its operations, changes in its net financial assets and its cash flows for the year in accordance with Canadian public sector accounting standards for issuance to the citizens of the Nisga'a Nation.



Eva Clayton
Noxs Wil Luu-gaamiks Hloks
President



Charles Morven
Daaxheet
Secretary Treasurer



Terry Holt
Chief Financial Officer

Independent Auditor's Report

To the Wilp Si'ayuukhl Nisga'a of
the Nisga'a Lisims Government

Opinion

We have audited the accompanying consolidated financial statements of Nisga'a Lisims Government (the "Government"), which comprise the consolidated statement of financial position as at March 31, 2022, and the consolidated statements of operations and accumulated surplus, changes in net financial assets and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Government as at March 31, 2022, and the results of its operations, changes in its net financial assets and its cash flows for the year then ended in accordance with Canadian public sector accounting standards ("PSAS").

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards ("Canadian GAAS"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Government in accordance with the ethical requirements that are relevant to our audit of the 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 Financial Statements

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

In preparing the financial statements, management is responsible for assessing the Government'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 Government or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian GAAS 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 GAAS, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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

Deloitte LLP

Chartered Professional Accountants
July 29, 2022
Vancouver, British Columbia

Nisga'a Lisims Government

Consolidated statement of operations and accumulated surplus

Year ended March 31, 2022

		Budget		
		2022	2022	2021
	Notes	\$	\$	\$
Revenue				
Fiscal financing agreement and related funding		86,645,448	87,453,943	84,940,452
Investment income, interest and dividends		11,156,761	14,741,795	14,712,076
Gains on sale of investments		—	2,163,607	11,527,921
Tax revenue	15	6,198,774	8,541,743	7,504,371
Other revenue	16	28,316,038	27,411,665	22,147,723
Targeted funding - ISC	18	241,209	2,195,039	2,825,704
Revenue from commercial entities	20	—	2,295,704	1,338,728
Contribution from Lisims Fisheries Conservation Trust		600,000	600,000	600,000
		133,158,230	145,403,496	145,596,975
Expenses				
Nass area strategy	17	1,854,200	2,233,019	1,814,917
Own source revenue taxation		—	—	489,132
Administration		18,400,808	7,683,447	7,133,528
Programs and services		10,980,457	6,535,772	6,485,646
Expenses of commercial entities	20	—	1,803,336	1,933,100
Governance		4,576,976	3,967,430	3,953,731
Fish, wildlife and migratory birds		3,011,818	2,709,396	2,547,984
Lands and resources		5,031,737	4,363,188	3,404,471
Settlement Fund management fees		1,653,000	1,633,589	1,408,568
Elders payments		1,095,000	1,140,000	1,290,000
Amortization		1,300,000	1,077,012	1,165,724
Commercial development		854,640	1,038,828	279,492
		48,758,636	34,185,017	31,906,292
Transfers and operating grants				
Nisga'a Village Governments	18	35,937,526	39,359,026	35,093,027
Nisga'a Valley Health Authority		14,856,115	14,816,299	17,562,400
Nisga'a School Board #92		9,929,697	10,090,740	9,707,909
Nisga'a Urban Locals		3,832,771	14,037,771	3,842,771
Wilp Wilxo'oskwhl Nisga'a		1,098,804	996,142	1,045,510
Nisga'a Citizens		—	6,790,000	—
		65,654,913	86,089,978	67,251,617
		114,413,549	120,274,995	99,157,909
Excess of revenues over expenses		18,744,681	25,128,501	46,439,065
Accumulated surplus, beginning of year		356,072,237	356,072,237	309,633,172
Accumulated surplus, end of year		374,816,918	381,200,738	356,072,237

The accompanying notes are an integral part of the consolidated financial statements.

Nisga'a Lisims Government
Consolidated statement of financial position
As at March 31, 2022

	Notes	2022 \$	2021 \$
Financial assets			
Cash	5(a)	44,755,071	40,240,927
Restricted cash	5(b)	42,890,462	26,059,419
Accounts and loans receivable	3	14,163,083	3,268,591
Designated cash	5(c)	17,009,267	13,530,163
Designated investments	5(d)	43,725,624	41,175,061
Designated trust funds	6	311,082,921	302,747,242
Investments in other entities	7	681,470	681,470
		474,307,898	427,702,873
Liabilities			
Accounts payable and accrued liabilities	9	29,082,601	20,568,975
Deferred revenue and deposits received	10	28,119,533	19,598,558
Silviculture obligation	22	1,071,693	1,448,093
Capital finance commission deferred revenue	4	60,608,773	54,030,706
Long-term debt	11	—	186,167
		118,882,600	95,832,499
Net financial assets		355,425,298	331,870,374
Available credit facilities	8		
Commitments and contingencies	14		
Non-financial assets			
Tangible capital assets (Schedule 1)	12	25,204,436	24,109,558
Prepaid expenses		571,004	92,305
		25,775,440	24,201,863
Accumulated surplus		381,200,738	356,072,237

The accompanying notes are an integral part of the consolidated financial statements.

On behalf of Wilp Si'ayuukhl Nisga'a

 _____, Member

 _____, Member

Nisga'a Lisims Government**Consolidated statement of changes in net financial assets**

Year ended March 31, 2022

	Budget 2022 \$	2022 \$	2021 \$
Excess of revenue over expenses from general operations	2,819,433	15,070,893	6,231,514
Excess of revenue over expenses from:			
Nisga'a Settlement Trust operations	—	14,730,890	24,382,269
Treaty Loan reimbursement proceeds and related interest received	15,925,248	(4,673,282)	15,825,282
Net excess of revenue over expenses	18,744,681	25,128,501	46,439,065
Amortization of tangible capital assets	1,300,000	1,077,012	1,165,724
Acquisition of tangible capital assets	(3,899,485)	(2,171,890)	(67,558)
Change in prepaid expenses	—	(478,699)	4,098
Increase in net financial assets	16,145,196	23,554,924	47,541,329
Net financial assets, beginning of the year	331,870,374	331,870,374	284,329,045
Net financial assets, end of the year	348,015,570	355,425,298	331,870,374

The accompanying notes are an integral part of the consolidated financial statements.

Nisga'a Lisims Government
Consolidated statement of cash flows
Year ended March 31, 2022

	2022	2021
	\$	\$
Operating activities		
Excess of revenue over expenses	25,128,501	46,439,065
Items not involving cash		
Amortization of tangible capital assets	1,077,012	1,165,724
Adjustment to own source revenue liability	—	489,132
	26,205,513	48,093,921
Changes in non-cash working capital		
Accounts and loans receivable	(10,894,492)	745,608
Accounts payable and accrued liabilities	8,513,626	1,958,021
Deferred revenue and deposits received	8,520,975	7,277,662
Silviculture obligation	(376,400)	(155,850)
Capital finance commission deferred revenue	6,578,067	5,160,382
Prepaid expenses	(478,699)	4,098
	38,068,590	63,083,842
Capital activity		
Acquisition of tangible capital assets	(2,171,890)	(67,558)
Investing activities		
Net change in designated cash	(3,479,104)	3,367,086
Increase in restricted cash	(16,831,043)	(26,059,419)
Increase in designated investments	(2,550,563)	(1,193,575)
Increase in designated trust funds	(8,335,680)	(16,070,957)
	(31,196,390)	(39,956,865)
Financing activity		
Repayment of long-term debt	(186,167)	(446,800)
	(186,167)	(446,800)
Net cash inflow	4,514,143	22,612,619
Cash, beginning of year	40,240,927	17,628,308
Cash, end of year	44,755,071	40,240,927
Supplemental cash flow information		
Interest paid	2,865	10,253
Interest received	6,052,438	5,580,379

The accompanying notes are an integral part of the consolidated financial statements.

1. Operating authority

Nisga'a Lisims Government (the "Government") operates under the authority of the Constitution of the Nisga'a Nation and under the Nisga'a Final Agreement Act in Canada. The members of the Nisga'a Nation ratified a Final Agreement ("Agreement") on November 9, 1998. The Government of Canada and the Province of British Columbia ratified the Agreement through the Legislature and the House of Commons enacting their respective Acts to give effect to the Agreement. The Agreement came into effect on May 11, 2000 in the area of the Nass Valley in British Columbia, Canada.

The Government comprises:

- (a) an elected Legislative House known as Wilp Si'ayuukhl Nisga'a through which the Nisga'a Nation enacts legislation and performs the duties, functions and obligations of Government;
- (b) an Executive which receives delegated authority from Wilp Si'ayuukhl Nisga'a and authority from the Constitution of the Nisga'a Nation to conduct the duties, functions, and obligations of Government; and
- (c) a Council of Elders which may advise the Government on traditional matters.

2. Summary of significant accounting policies

The consolidated financial statements of the Government are prepared by management in accordance with Canadian public sector accounting standards, and in accordance with the Nisga'a Financial Administration Act of the Nisga'a Nation. The significant accounting policies used in the preparation of the consolidated financial statements are as follows:

(a) Principles of consolidation

The consolidated financial statements include the accounts of the Government and organizations controlled by the Government. Organizations considered to be government business enterprises are accounted for using the modified equity method. Under this method, the Government only reports its investment in and advances to and the net income or loss of the organization. Other Government organizations are consolidated in the financial statements after eliminating any intercompany transactions and balances.

Trust funds under the Government's control are incorporated directly into the Government's accounts while those not under the Government's control, or trusts administered on behalf of other parties, are excluded from the consolidated Government reporting entity.

Nisga'a Government is comprised of the Nisga'a Lisims Government, which represents the Nisga'a Nation, and the four Nisga'a Village Governments, which represent the four Nisga'a Villages. The Nisga'a Nation and the Nisga'a Villages are separate and distinct legal entities. In addition, there are three Nisga'a Urban Locals, which provide liaison and contact between Nisga'a Government and Nisga'a citizens ordinarily residing within the Nisga'a Urban Local Areas. These financial statements include the consolidated financial affairs of the Government and do not include the financial affairs of the Nisga'a Village Governments and Nisga'a Urban Locals that are separate legal entities. The following are the organizations included in the Government reporting entity and are included in the consolidated financial statements:

2. Summary of significant accounting policies (continued)

(a) Principles of consolidation (continued)

1014068 B.C. Ltd. (i)	Lisims Communications Limited Partnership (i)
1014069 B.C. Ltd. (i)	Nass Area Properties Ltd. (i)
1014071 B.C. Ltd. (i)	Nass Area Properties Limited Partnership (i)
1014075 B.C. Ltd. (i)	Nisga'a Interim Settlement Trust
enTel Communications Limited Partnership (i)	Nisga'a Fisheries Limited Partnership (i)
Lisims Communications Inc. (i)	Nisga'a Pacific Ventures Ltd. (i)
Lisims Backcountry Adventures Inc. (i)	Nisga'a Pacific Ventures Limited Partnership (i)
Lisims Backcountry Adventures Limited Partnership (i)	Nisga'a Tourism LP (i)
Lisims Forest Resource Limited Partnership (i)	Lisims Internet and Technology Services Inc.
K'alii Aks Timber Corporation	

(i) These entities are included in the Nisga'a Pacific Ventures Group.

(b) Recognition of revenues and expenses

Government transfers from the federal and provincial governments that do not include stipulations are recognized as revenue when the transfers have been authorized, eligibility criteria have been met and a reasonable estimate of the amount can be made. Government transfers with stipulations are recognized as revenue in the period the transfers are authorized, and eligibility criteria and stipulations are met.

Taxation revenues are recognized when authorized by the Government, the taxable event has occurred, and the definition of an asset is met.

Other revenues are accounted for in the period in which the transactions or events occur that give rise to the revenues. Funds from external parties and earnings thereon restricted by agreement or legislation are accounted for as deferred revenue until used for the purposes specified. Investment income is recognized on an accrual basis when earned.

Publicly traded equities received as consideration are recognized at fair value when received or receivable.

Expenditures are accounted for in the period the goods and services are acquired and a liability is incurred or transfers are due.

Transfers to other governments are recognized as an expense in the period the transfer is authorized by the Government and all eligibility criteria, if any, have been met by the recipient.

2. Summary of significant accounting policies (continued)

(c) Accumulated surplus

Funds within the accumulated surplus include the following as provided for under Section 44(1) of the Nisga'a Financial Administration Act. These funds are not presented separately and are presented on a consolidated basis with any inter-fund balances and transactions eliminated, but are separated for the purposes of segmented reporting in Schedule 2.

(i) Government and Administration Fund

This fund consists of the operations and administration of general government.

(ii) Commercial Fisheries Fund

This fund consists of the operations of the commercial fisheries programs under Schedule G of the Nisga'a Final Agreement.

(iii) Business Development Fund

This fund consists of the operations conducted under the Nisga'a Business Development Fund Act.

(iv) Capital Transfer Fund

This fund consists of the receipts and transfers of the capital transfer monies under the Nisga'a Final Agreement.

(v) Investment Fund

This fund consists of the Government's investments in various business and non-business ventures.

(vi) Tangible Capital Asset Fund

This fund consists of the tangible capital assets under the management of the Government. This includes tangible capital assets received as part of settlement and tangible capital assets constructed and acquired.

(vii) Capital Finance Commission Fund

This fund consists of the operations of the Capital Finance Commission under the Nisga'a Capital Finance Commission Act.

(viii) Land Title Assurance Fund

This fund is required under a Torrens title system and guarantees title in cases of fraud or error. The fund is used to compensate individuals who are deprived of their title.

2. Summary of significant accounting policies (continued)

(d) Cash, designated cash and designated trust funds

Cash and portfolio investments are recorded at cost, less any provision for impairment where investments are considered to be other-than-temporarily impaired.

(e) Foreign currency translation

Amounts denominated in foreign currencies are translated into Canadian dollars at the prevailing exchange rate at year end and transactions are translated into Canadian dollars at the prevailing rate at the transaction date. Gains and losses arising from translation of foreign currency balances are recognized in the consolidated statement of operations in the period incurred.

(f) Loans receivable

Loans receivable are stated at the lower of cost and management's best estimate of net recoverable value. Valuation allowances, which are recorded to reduce loans receivable, are based on past events, current conditions and all circumstances known at the date of the preparation of the consolidated financial statements. Interest revenue is recognized when earned. Interest revenue is not accrued when the collectability of either principal or interest is not reasonably assured.

(g) Tangible capital assets

Tangible capital assets are recorded at cost, except for contributed lands, natural resources and cultural resources which are recorded at a nominal value of \$1 each.

Tangible capital assets are amortized at the following rates and methods:

Buildings and mobile homes	4% and 5%	declining balance
Boats and vessels	7%	declining balance
Automotive	30%	declining balance
Machinery and equipment	20%	declining balance
Furniture, fixtures and office equipment	20%	declining balance
Computer equipment	30%	declining balance
Communications infrastructure	12%	declining balance
Fibre optic network	25 years	straight line

Assets under construction are not amortized until they are brought into use.

When conditions indicate that a tangible capital asset no longer contributes to the ability to provide goods or services, or that the value of future economic benefits is less than its book value, the carrying value of the asset is reduced to reflect the decline in value.

2. Summary of significant accounting policies (continued)

(h) Income taxes

The consolidated companies in the Nisga'a Pacific Ventures Group (Note 2(a)) use the liability method of accounting for income taxes. Under this method, current income taxes are recognized for the estimated income taxes payable for the current year. Deferred income tax assets and liabilities are recognized for temporary differences between the tax and accounting bases of assets and liabilities and are calculated using tax rates anticipated to be in effect in the periods that the temporary differences are expected to reverse. The effect of a change in the income tax rates on deferred income tax assets and liabilities is recognized in operations in the period the change becomes substantively enacted. Deferred income tax assets are recognized to the extent that such benefits are likely to be realized.

(i) Employee benefits

Under the terms and conditions of employment, Government employees may qualify and earn benefits for annual leave, elective leave, severance and other benefits. The estimated liability for these benefits is recorded as the benefits are earned by employees. Severance liabilities are recorded when employees are identified for lay-off.

(j) Budgets

The budget figures represent the Government's budget for the year as approved by Wilp Si'ayuukhl Nisga'a.

(k) Liability for contaminated sites

The Government recognizes and measures a liability for remediation of contaminated sites where:

- An environmental standard exists;
- Contaminated levels exceed the environmental standard;
- The Government is directly responsible or accepts responsibility;
- It is expected that future economic benefits will be given up; and
- A reasonable estimate of the amount can be made.

The liability is based on the present value of the estimated costs directly attributable to the remediation and post-remediation activities.

(l) Use of estimates

The preparation of financial statements in accordance with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses and the disclosure of contingent assets and liabilities for the reporting period. Significant estimates used in the preparation of these financial statements include the useful lives of tangible capital assets, recognition of accrued liabilities and allowances for doubtful accounts receivable. Actual results may differ from these estimates.

3. Accounts and loans receivable

	2022	2021
	\$	\$
Accounts receivable	12,946,481	2,523,722
Business loans – various terms	708,724	666,504
GST and PST receivable	418,231	522,306
Government funding and grants	415,184	463,960
Gitlaxt'aamiks Village Government	–	275,925
Fishers loans – various terms	248,071	248,071
Accounts receivable – Government businesses	383,187	207,422
	15,119,878	4,907,910
Less: Allowance for doubtful accounts	(956,795)	(1,639,319)
	14,163,083	3,268,591

4. Capital finance commission deferred revenue

	2022	2021
	\$	\$
Deferred revenue, beginning of year	54,030,706	48,870,324
Interest and inflation adjustment earned	7,222,381	5,948,382
Eligible expenditures	(644,314)	(788,000)
Deferred revenue, end of year	60,608,773	54,030,706

Revenue is recognized when expenditures are incurred which meet the criteria under the terms of the fiscal financing agreement.

5. Cash, restricted cash, designated cash and designated investments

(a) Cash

During the year ended March 31, 2016, the Government's Executive approved funding in the amount of \$848,403 for each of the Village governments as an additional program under section 6 of the Nisga'a Capital (New Asset) Finance Commission Act to support existing and new housing programs on Nisga'a lands. The cash balance as at March 31, 2022 includes \$76,116 (\$674,519 in 2021) of the approved funding that had not yet been disbursed in respect of this program.

5. Cash, designated cash and designated investments (continued)

(b) Restricted cash

The Government has implemented internal restrictions on cash for the following purposes:

	2022	2021
	\$	\$
Treaty loan reimbursement proceeds received and related interest	17,628,030	15,825,282
Fisheries program restricted cash	14,072,936	—
Gap Closing proceeds received and related interest	8,739,532	8,763,695
Unexpended approved capital appropriations	2,449,964	1,470,442
	42,890,462	26,059,419

(c) Designated cash

	2022	2021
	\$	\$
Capital Finance Commission fund	16,959,267	13,530,163
Land Title Assurance fund	50,000	—
	17,009,267	13,530,163

(d) Designated investments

During the year ended March 31, 2017, the Government invested \$25 million of capital finance commission funds in bond and equity pooled funds managed by Phillips, Hager and North Investment Management. During fiscal 2020, the Government invested a further \$10,000,000 of capital finance commission funds in the same bond and equity pooled funds. The cost and market value of the investments as at March 31, 2022 were \$43,725,624 and \$46,264,259 respectively (\$41,175,061 and \$43,175,738 respectively, in 2021).

6. Designated trust funds

Nisga'a Settlement Trust

The Trust comprises:

	2022	2021
	\$	\$
(a) Interest bearing cash account with RBC Investor Services Trust	4,329,893	502,894
(b) Portfolio investments held by RBC Investor Services Trust at cost (market value \$378,080,630) (market value \$372,107,672 in 2021)	306,753,028	302,244,348
	311,082,921	302,747,242

The Government has contributed funds to this Trust to hold, protect and grow a portion of the Nisga'a Final Agreement proceeds for the future benefit of the Nisga'a Nation.

6. Designated trust funds (continued)

Nisga'a Settlement Trust (continued)

Total annual appropriations from the Nisga'a Settlement Trust to the Government and Administration Fund were as follows:

	\$
2007 to 2020	71,003,230
2021	8,240,884
2022	9,256,915
	<u>88,501,029</u>

These funds have been appropriated by the WSN as a result of approved cash management strategies. The Government may draw down these funds at a future point in time, consistent with best practices related to strategic cash management, and subject to the Nisga'a Financial Administration Act. During the year ended March 31, 2022, a distribution of \$9,256,915 (\$8,240,884 in 2021) was made out of the Trust monies.

Total annual distributions from the Nisga'a Settlement Trust are as follows:

	\$
2007 to 2020	30,323,460
2021	8,240,884
2022	9,256,915
	<u>47,821,259</u>

During the year ended March 31, 2019, the Government approved the borrowing of \$5,378,265 from the Nisga'a Settlement Trust. The loan was advanced in a single lump sum on November 5, 2018 and bears interest at 2% per annum, with a due date of March 31, 2023. The outstanding balance of the loan, including accrued interest, is \$2,835,775 as at March 31, 2022. The loan is not included in the consolidated statement of financial position as the accounts of the Nisga'a Settlement Trust are included in these consolidated financial statements.

7. Investments in other entities

	Shares/units	Investment	2022 Total	Shares/units	Investment	2021 Total
	\$	\$	\$	\$	\$	\$
Nisga'a West Coast Stevedoring (1999) Ltd.	1	—	—	1	—	—
Sim Gan Forest Corporation	19	19	19	19	19	19
Northern Native Fishing Corporation	1	1	1	1	1	1
Publicly traded equities	82,500	681,450	681,450	82,500	681,450	681,450
		<u>681,470</u>	<u>681,470</u>		<u>681,470</u>	<u>681,470</u>

Nisga'a Lisims Government

Notes to the consolidated financial statements

March 31, 2022

8. Credit and borrowing facilities

The Government has the following credit and borrowing facilities available:

- (a) A \$10,000,000 operating loan bearing interest at the bank prime rate less 0.25%; and
- (b) A \$9,000,000 committed revolving facility for capital expenditures bearing interest at the bank prime rate less 0.25%.

The facilities are secured by a general security agreement and the Government is required to maintain designated trust funds of not less than \$200 million. As at March 31, 2022, the Government had borrowed nil on these facilities (nil in 2021).

9. Accounts payable and accrued liabilities

	2022	2021
	\$	\$
Own source revenue liability	14,434,968	14,434,968
Accounts payable and accrued liabilities	11,721,472	3,811,496
Accounts payable and accrued liabilities - Government businesses	613,515	491,102
Elective leave and vacation liability	1,795,319	1,765,480
Personal income tax revenues repayable	118,916	—
Payroll liabilities	398,411	65,929
	29,082,601	20,568,975

10. Deferred revenue and deposits received

Deferred revenue and deposits received primarily consists of proceeds received for specific projects to be completed in the future, as well as forestry bid deposits held. Deferred revenue amounts will be recognized as revenue in the period that the funds are used for the purpose specified.

	2022	2021
	\$	\$
Deferred revenue and deposits received	28,119,533	19,598,558

11. Long-term debt

	2022	2021
	\$	\$
Demand loan at bank prime rate, repayable at \$37,233 per month plus interest of 2.45% per annum on the outstanding balance, secured by a general security agreement	—	186,167

12. Tangible capital assets (Schedule 1)

	2022	2021
	Net book value	Net book value
	\$	\$
Contributed land, natural resources and cultural resources	3	3
Land	2,200,899	2,200,899
Buildings and mobile homes	17,820,482	18,430,719
Boats and vessels	492,742	540,504
Automotive	118,123	187,268
Machinery and equipment	152,316	128,903
Furniture, fixtures and office equipment	44,937	59,889
Computer equipment	67,826	27,077
Communications infrastructure	107,745	109,403
Fibre optic network	2,242,947	2,416,091
Construction in progress	1,956,416	8,802
	25,204,436	24,109,558

Contributed land, natural resources and cultural resources are contributions from the Nisga'a Final Agreement that were recorded at \$1 each as a reasonable valuation of these assets was not available. This is a departure from the accounting required under Section 42 of the Nisga'a Financial Administration Act which requires that contributed assets be recorded at their fair market value. These assets include the following:

- Lands - Approximately 2,020 square kilometres of land comprising of 1,993 of Nisga'a lands in the lower Nass Valley and 27 of Category A and B lands held outside of Nisga'a lands
- Natural resources - Timber, subsurface minerals, limited water, fish and wildlife
- Cultural resources - Heritage sites, artwork and artifacts

13. Tax losses carried forward

The Nisga'a Pacific Ventures Group has incurred cumulative non-capital losses for tax purposes of approximately \$584,000 which are available to reduce future taxable income. Such benefits will be recognized in the period it is determined that they are more likely than not to be realized. These losses expire as follows:

	\$
2028	112,580
2029	288
2030	319,790
2031	106,807
2032	11,001
2033	1,578
2034	1,605
2035	7,458
2036	8,240
2037	1,338
2038	3,003
2039	10,427
	<u>584,115</u>

14. Commitments and contingencies

(a) Commitments

- (i) The Government enters into various contracts and agreements and is committed to various expenditures in the normal course of business.
- (ii) The Government is committed to provide various programs and services and to conduct various activities under the Nisga'a Final Agreement. The cost of completing all of these activities is substantial, although the cost cannot be readily determined.
- (iii) The nature of the Government's activities requires negotiation of contracts that are significant in relation to its current financial position and that may materially affect the level of future expenditures. These include contractual commitments pertaining to funding agreements with Nisga'a Village Governments, various Nisga'a institutions and various capital projects.
- (iv) On March 11, 2020, the World Health Organization characterized the outbreak of a strain of the novel coronavirus ("COVID-19") as a pandemic which has resulted in a series of public health and emergency measures that have been put in place to combat the spread of the virus. The duration and impact of COVID-19 is unknown at this time and it is not possible to reliably estimate the impact that the length and severity of these developments will have on the financial results and condition of the Government in future periods.

In response to the circumstances arising from COVID-19, the Government, at its meeting of Wilp Si'ayuukhl Nisga'a on March 11, 2021, appropriated an amount of up to \$1,000,000 for the sole purpose of responding to the COVID-19 public health emergency, as part of its 2021/2022 budget. As at March 31, 2022, this amount has not yet been spent. The Government has also subsequently received from Canada \$nil (\$1,330,594 in 2021) as its part of the Indigenous Community Support Fund and \$nil (\$60,417 in 2021) in funding from the Emergency Management Assistance Program, in connection with its planned activities and initiatives related to the preparedness, mitigation, response and recovery of COVID-19.

14. Commitments and contingencies (continued)

(b) Contingencies

- (i) Effective May 11, 2000, the Government entered into the first Nisga'a Nation Fiscal Financing Agreement (the "Agreement") with the Government of Canada and the Province of British Columbia for a five year period, and extension agreements thereafter. A second Agreement was entered into on March 9, 2010 for a further five year period and extension agreements were entered into for the period ending March 31, 2019. A third Agreement was entered into effective April 1, 2019. The terms of the Agreement provide that every five years, or at longer intervals as agreed upon by the parties, the parties will negotiate and attempt to reach agreement on a fiscal financing agreement by which funding will be provided to the Nisga'a Nation to provide agreed-upon public programs and services to Nisga'a citizens. Funding provided under the first and second Agreements include amounts for the replacement and maintenance of certain agreed-upon tangible capital assets. The Government expects to receive approximately \$82.8 million, plus inflationary adjustments, for these tangible capital assets under future Agreements, of which approximately \$13.7 million, plus inflationary adjustments, relates to Government owned assets.
- (ii) The Government of Canada and the Government have set up the Lisims Fisheries Conservation Trust ("Trust") which is under the control of trustees independent from the Nisga'a Nation and the Government. The objectives of the Trust are to promote conservation and protection of, to facilitate sustainable management of, and to promote and support Nisga'a participation in the stewardship of the Nass area fish species and stocks and the Nass area fisheries for the benefit of all Canadians. The trust financial results are not included in these financial statements. The Government received \$600,000 (\$600,000 in 2021) from the Trust during the year.
- (iii) The Government is contingently liable to banks for housing loan guarantees provided in a maximum authorized amount of \$2,000,000 (\$2,000,000 in 2021) under housing programs. The aggregate outstanding balance of the housing loans is \$1,810,676 as at March 31, 2022 (\$1,537,920 in 2021). The Government has also provided a guarantee for a maximum amount of \$410,500 to a bank for a loan to the Village of Laxgalts'ap.
- (iv) The Government has provided an indemnity for the directors and officers of Nisga'a Valley Health Authority.
- (v) Certain legal actions have been commenced against the Government in connection with various matters arising during the normal course of business activities. Management is of the opinion that the cost of settling and defending such actions will not be significant and, accordingly, no provision for losses related to these legal actions has been reflected in these financial statements.
- (vi) The Government of Canada's 2019 budget included the forgiveness of all treaty negotiation loans and the repayment of settled loans. Subject to the annual appropriation of funds and Canada's funding policies, a total of \$78,671,088 is intended to be reimbursed to the Government. The amount is expected to be paid out in five equal installments between 2021 and 2025. During the year, the Government received \$15,743,218 related to this reimbursement which has been included in other revenues (Note 16).

Nisga'a Lisims Government
Notes to the consolidated financial statements
 March 31, 2022

15. Tax revenue

	2022	2021
	\$	\$
Goods and Services Tax	1,475,280	1,508,715
Federal personal income tax	5,040,233	3,962,907
Provincial sales tax	660,005	691,935
Provincial personal income tax	823,087	790,127
Property taxes	543,138	550,687
	8,541,743	7,504,371

16. Other revenues

	2022	2021
	\$	\$
Contract revenue	10,614,486	5,255,682
Treaty Loan reimbursement	15,743,218	15,743,218
Other	111,571	360,608
Other grants and contributions	804,591	630,309
Rental income	127,957	132,773
Levies, fees, permits and leases	9,842	25,133
	27,411,665	22,147,723

17. Expenses by object

	2022	2021
	\$	\$
Purchased goods and services	16,792,072	14,752,628
Compensation and training	13,075,969	13,368,947
Travel, accommodation and related costs	1,277,023	627,696
Amortization	1,077,012	1,165,724
Elders payments	1,140,000	1,290,000
Other grants and contributions	623,173	57,640
Urban housing and renovation grants	180,000	131,499
Other interest and bank charges	19,768	23,026
Own source revenue taxation	—	489,132
	34,185,017	31,906,292

Purchased goods and services, compensation and training, amortization, and travel, accommodation and related costs include \$1,321,494, \$478,049, \$19,490, and \$3,795 respectively, in connection with the commercial entities.

18. COVID funding and benefits

During the year, the Government received targeted funding of \$6,341,685, and made distributions of \$5,680,268 to the Nisga'a Village Governments in respect of COVID related benefits. The net amount of \$661,417 is recorded within Targeted Funding - ISC on the consolidated statement of operations and accumulated surplus.

Nisga'a Lisims Government
Notes to the consolidated financial statements

March 31, 2022

19. Defined contribution plan

The Government provides and participates in an individual defined contribution plan for its permanent employees. Permanent employees who choose to participate are required to contribute 5% of their earnings. An additional voluntary contribution up to 8% of earnings is permitted. The Government contributes amounts equal to the employee's required contribution of 5%. The Government contributed \$361,604 (\$363,107 in 2021) to the plan during the year.

20. Commercial entities revenue and expenses

	Telecom \$	LRFLP Forestry \$	KATCLP Forestry \$	Nisqa'a Pacific Ventures Limited Partnership \$	2022 Total \$
Revenue	867,460	—	1,428,244	—	2,295,704
Expenses	809,883	—	993,453	—	1,803,336
	57,577	—	434,791	—	492,368

	Telecom \$	LRFLP Forestry \$	KATCLP Forestry \$	Nisqa'a Pacific Ventures Limited Partnership \$	2021 Total \$
Revenue	919,446	341,848	73,408	4,026	1,338,728
Expenses	904,108	780,323	177,331	71,338	1,933,100
	15,338	(438,475)	(103,923)	(67,312)	(594,372)

21. Contractual rights

The Government has the following contractual rights:

(i) *Government of Canada and Province of British Columbia*

The Government has entered into a Fiscal Financing Agreement with the Government of Canada and the Province of British Columbia that provides funding to the Government in perpetuity, enabling the provision of agreed upon public programs and services. Funding to be received for the fiscal year ending March 31, 2023 totals \$95,258,798.

(ii) *Other*

The Government has entered into confidential agreements with various third parties who wish to engage in business operations within the Nass Area, Nass Wildlife Area and Nisga'a Lands for which the Government expects to receive revenues based on certain varying milestones, for royalties, leases, right of way access and capacity building, the amounts for which are largely dependent on future production or economic events, which cannot reasonably be predicted or are not controllable by the Government. The timing and amounts of these future revenues are not determinable.

22. Funds held for silviculture

Under the Nisga'a Public Lands License ("License"), the Government receives a silviculture levy of \$3 per cubic metre in respect of timber harvested under the License or a Forest Development Plan or a road permit, including avoidable waste. The silviculture levies are maintained in interest bearing accounts in respect of each timbermark under which timber is harvested by K'alii Aks Timber Corporation. As K'alii Aks Timber Corporation performs its silviculture obligations under the Nisga'a Forest Act, it claims reimbursement from the applicable silviculture account.

Nisga'a Lisims Government
Schedule 1 - Consolidated schedule of tangible capital assets
Year ended March 31, 2022

Contributed land, natural and cultural resources	Land	Buildings and mobile homes	Boats and vessels	Automotive	Machinery and equipment	Furniture, fixtures and office equipment	Computer equipment	Communications infrastructure	Fibre optic network	Construction in progress	Total	
												\$
As at April 1, 2021	3	2,200,899	30,936,397	1,292,160	1,345,502	178,148	753,073	1,193,934	815,071	3,373,376	864,900	42,953,463
Additions	—	—	51,470	—	—	66,946	—	105,860	—	—	1,947,614	2,171,890
Disposals	—	—	—	—	—	—	—	—	—	—	—	—
Cost	3	2,200,899	30,987,867	1,292,160	1,345,502	245,094	753,073	1,299,794	815,071	3,373,376	2,812,514	45,125,353
Accumulated amortization												
As at April 1, 2021	—	—	12,505,678	751,656	1,158,234	49,245	693,184	1,166,857	705,668	957,285	856,098	18,843,905
Additions	—	—	661,707	47,762	69,145	43,533	14,952	65,111	1,658	173,144	—	1,077,012
Disposals	—	—	—	—	—	—	—	—	—	—	—	—
Net book value, March 31, 2022	3	2,200,899	17,820,482	492,742	118,123	152,316	44,937	67,826	107,745	2,242,947	1,956,416	25,204,436

Contributed land, natural and cultural resources	Land	Buildings and mobile homes	Boats and vessels	Automotive	Machinery and equipment	Furniture, fixtures and office equipment	Computer equipment	Communications infrastructure	Fibre optic network	Construction in progress	Total	
												\$
As at April 1, 2020	3	2,200,899	30,936,397	1,292,160	1,341,125	157,147	753,073	1,193,934	815,071	3,339,998	856,098	42,885,905
Additions	—	—	—	4,377	—	21,001	—	—	—	33,378	8,802	67,558
Disposals	—	—	—	—	—	—	—	—	—	—	—	—
Cost	3	2,200,899	30,936,397	1,292,160	1,345,502	178,148	753,073	1,193,934	815,071	3,373,376	864,900	42,953,463
Accumulated amortization												
As at April 1, 2020	—	—	11,822,334	713,641	1,060,394	2,230	669,976	1,097,956	703,595	751,957	856,098	17,678,181
Additions	—	—	683,344	38,015	97,840	47,015	23,208	68,901	2,073	205,328	—	1,165,724
Disposals	—	—	—	—	—	—	—	—	—	—	—	—
Net book value, March 31, 2021	3	2,200,899	18,430,719	540,504	187,268	128,903	59,889	27,077	109,403	2,416,091	8,802	24,109,558

Nisga'a Lisims Government
Schedule 2 - Consolidated schedule of segment disclosure
Year ended March 31, 2022

	Government and Administration Fund	Commercial Fisheries Fund	Business Development Fund	Capital Transfer Fund	Investment Fund	Tangible Capital Asset Fund	Capital Finance Fund	Land Title Insurance Fund	Interfund eliminations on consolidation	2022 Consolidated
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Revenue										
Fiscal financing agreement and related funding	87,453,943	—	—	—	—	—	—	—	—	87,453,943
Investment income, interest and dividends	14,658,528	83,267	—	—	—	—	—	—	—	14,741,795
Gain in sale of investments	2,163,607	—	—	—	—	—	—	—	—	2,163,607
Tax revenue	8,541,743	—	—	—	—	—	—	—	—	8,541,743
Other revenue	26,961,665	—	450,000	—	—	—	—	—	—	27,411,665
Revenue from commercial entities	—	—	—	—	2,295,704	—	—	—	—	2,295,704
Contribution from Lisims Fisheries Conservation Trust	600,000	—	—	—	—	—	—	—	—	600,000
Targeted funding - ISC	2,195,039	—	—	—	—	—	—	—	—	2,195,039
	142,574,525	83,267	450,000	—	2,295,704	—	—	—	—	145,403,496
Expenses										
Nass area strategy	2,233,019	—	—	—	—	—	—	—	—	2,233,019
Own source revenue taxation	—	—	—	—	—	—	—	—	—	—
Administration	7,683,447	—	—	—	—	—	—	—	—	7,683,447
Programs and services	6,535,772	—	—	—	—	—	—	—	—	6,535,772
Expenses of commercial entities	—	—	—	—	1,803,336	—	—	—	—	1,803,336
Governance	3,967,430	—	—	—	—	—	—	—	—	3,967,430
Fish, wildlife and migratory birds	2,709,396	—	—	—	—	—	—	—	—	2,709,396
Lands and resources	4,363,188	—	—	—	—	—	—	—	—	4,363,188
Settlement Fund	1,633,589	—	—	—	—	—	—	—	—	1,633,589
Elders payment	1,140,000	—	—	—	—	—	—	—	—	1,140,000
Amortization	1,077,012	—	—	—	—	—	—	—	—	1,077,012
Commercial development	—	—	1,038,828	—	—	—	—	—	—	1,038,828
	31,342,853	83,267	1,038,828	—	1,803,336	—	—	—	—	34,185,017
Transfers and operating grants										
Nisga'a Village Governments	39,359,026	—	—	—	—	—	—	—	—	39,359,026
Nisga'a Valley Health Authority	14,816,299	—	—	—	—	—	—	—	—	14,816,299
Nisga'a School Board #92	10,090,740	—	—	—	—	—	—	—	—	10,090,740
Nisga'a Urban Locals	14,037,771	—	—	—	—	—	—	—	—	14,037,771
Wip Wilxo'oskwhl Nisga'a	996,142	—	—	—	—	—	—	—	—	996,142
Nisga'a Citizens	6,790,000	—	—	—	—	—	—	—	—	6,790,000
	86,089,978	—	—	—	—	—	—	—	—	86,089,978
Excess of revenue over expenses	25,141,694	83,267	(588,828)	—	492,368	—	—	—	—	25,128,501

Nisga'a Lisims Government
Schedule 2 - Consolidated schedule of segment disclosure
Year ended March 31, 2021

	Government and Administration Fund	Commercial Fisheries Fund	Business Development Fund	Capital Transfer Fund	Investment Fund	Tangible Capital Asset Fund	Capital Finance Commission Fund	Land Title Assurance Fund	Interfund eliminations on consolidation	2021 Consolidated
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Revenue										
Fiscal financing agreement and related funding	84,940,452	—	—	—	—	—	—	—	—	84,940,452
Investment income, interest and dividends	14,712,076	328,152	46,445	—	—	—	—	(374,597)	—	14,712,076
Gain on sale of investments	11,527,921	—	—	—	—	—	—	—	—	11,527,921
Tax revenue	7,504,371	—	—	—	—	—	—	—	—	7,504,371
Other revenue	21,697,723	—	450,000	—	1,338,728	—	—	—	—	22,147,723
Revenue from commercial entities	—	—	—	—	—	—	—	—	—	1,338,728
Contribution from Lisims Fisheries Conservation Trust	600,000	—	—	—	—	—	—	—	—	600,000
Targeted funding - ISC	2,825,704	—	—	—	—	—	—	—	—	2,825,704
	143,808,247	328,152	496,445	—	1,338,728	—	—	(374,597)	—	145,596,975
Expenses										
Nass area strategy	1,814,917	—	—	—	—	—	—	—	—	1,814,917
Own source revenue taxation	489,132	—	—	—	—	—	—	—	—	489,132
Administration	7,508,125	—	—	—	—	—	—	(374,597)	—	7,133,528
Programs and services	6,485,646	—	—	—	—	—	—	—	—	6,485,646
Expenses of commercial entities	—	—	—	—	1,933,100	—	—	—	—	1,933,100
Governance	3,953,731	—	—	—	—	—	—	—	—	3,953,731
Fish, wildlife and migratory birds	2,547,984	—	—	—	—	—	—	—	—	2,547,984
Lands and resources	3,404,471	—	—	—	—	—	—	—	—	3,404,471
Settlement Fund	1,408,568	—	—	—	—	—	—	—	—	1,408,568
Elders payment	1,290,000	—	—	—	—	—	—	—	—	1,290,000
Amortization	1,165,724	—	—	—	—	—	—	—	—	1,165,724
Commercial development	230	—	279,262	—	—	—	—	—	—	279,492
	30,068,528	—	279,262	—	1,933,100	—	—	(374,597)	—	31,906,292
Transfers and operating grants										
Nisga'a Village Governments	35,093,027	—	—	—	—	—	—	—	—	35,093,027
Nisga'a Valley Health Authority	17,562,400	—	—	—	—	—	—	—	—	17,562,400
Nisga'a School Board #92	9,707,909	—	—	—	—	—	—	—	—	9,707,909
Nisga'a Urban Locals	3,842,771	—	—	—	—	—	—	—	—	3,842,771
Wilp Wilxo'oskwhl Nisga'a	1,045,510	—	—	—	—	—	—	—	—	1,045,510
	67,251,617	—	—	—	—	—	—	—	—	67,251,617
Excess of revenue over expenses	46,488,102	328,152	217,183	—	(594,372)	—	—	—	—	46,439,065

