
Consolidated financial statements of Nisga'a Lisims Government

March 31, 2020

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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.



Ms. Eva Clayton
Nox Wil luu gamiks thloks
President



Ms. Corinne McKay
Bilaam Neek'hl
Secretary Treasurer



Mr. 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, 2020, 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, 2020, 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.

The signature "Deloitte LLP" is written in a cursive, handwritten style in black ink.

Chartered Professional Accountants
July 30, 2020
Vancouver, British Columbia

Nisga'a Lisims Government

Consolidated statement of operations and accumulated surplus

Year ended March 31, 2020

	Notes	Budget		2019
		2020	2020	
		\$	\$	\$
Revenue				
Fiscal financing agreement and related funding		80,997,586	80,545,281	73,086,286
Investment income		6,473,213	21,676,002	17,592,949
Tax revenue	15	5,433,905	6,224,977	5,815,422
Other revenue	16	6,737,049	10,607,133	8,156,058
Targeted funding - ISC		25,000	1,476,361	946,714
Revenue from commercial entities	19	-	1,243,345	2,384,615
Contribution from Lisims Fisheries Conservation Trust		600,000	-	600,000
		100,266,753	121,773,099	108,582,044
Expenses				
Nass area strategy	17	1,608,085	1,781,068	1,632,650
Own source revenue taxation (recovery)		-	(7,025,744)	7,025,744
Administration		8,616,631	7,296,697	8,111,896
Programs and services		8,126,172	7,155,516	7,533,798
Expenses of commercial entities	19	-	1,406,288	4,571,040
Governance		4,769,002	4,960,955	4,194,244
Fish, wildlife and migratory birds		3,297,291	3,149,159	3,268,505
Lands and resources		4,329,569	3,423,668	1,995,845
Settlement Fund		1,533,000	1,470,146	1,341,644
Elders payments		1,035,000	1,140,000	1,545,000
Amortization		1,275,000	1,277,695	1,311,060
Commercial development		1,050,086	625,454	835,182
		35,639,836	26,660,902	43,366,608
Transfers and operating grants				
Nisga'a Village Governments		34,415,833	34,415,837	25,872,413
Nisga'a Valley Health Authority		17,204,623	17,105,084	16,748,367
Nisga'a School Board #92		8,816,091	8,816,091	8,739,475
Nisga'a Urban Locals		3,286,846	3,286,853	2,011,058
Wilp Wilxo'oskwahl Nisga'a		1,098,804	946,996	891,835
		64,822,197	64,570,861	54,263,148
		100,462,033	91,231,763	97,629,756
Excess (deficiency) of revenues over expenses		(195,280)	30,541,336	10,952,288
Accumulated surplus, beginning of year		279,091,836	279,091,836	268,139,548
Accumulated surplus, end of year		278,896,556	309,633,172	279,091,836

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

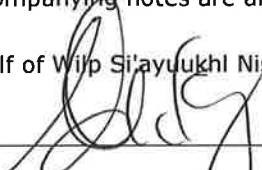
Nisga'a Lisims Government
Consolidated statement of financial position


As at March 31, 2020

	Notes	2020	2019
		\$	\$
Financial assets			
Cash	5(a)	17,628,308	8,992,064
Accounts and loans receivable	3	4,014,199	7,925,330
Designated cash	5(b)	16,897,249	17,447,286
Designated investments	5(c)	39,981,486	28,340,249
Designated trust funds	6	286,676,285	267,122,157
Investments in other entities	7	681,470	681,470
		365,878,997	330,508,556
Liabilities			
Accounts payable and accrued liabilities	9	18,121,822	26,632,838
Deferred revenue and deposits received	10	12,320,896	3,515,120
Silviculture obligation	21	1,603,943	1,347,676
Capital finance commission deferred revenue	4	48,870,324	44,452,329
Long-term debt	11	632,967	1,079,767
		81,549,952	77,027,730
Net financial assets		284,329,045	253,480,826
Commitments and contingencies	14		
Capital finance commission contingent asset	14(b)(i)		
Non-financial assets			
Tangible capital assets (Schedule 1)	12	25,207,724	25,568,671
Prepaid expenses		96,403	42,339
		25,304,127	25,611,010
Accumulated surplus		309,633,172	279,091,836

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, 2020

	Budget		
	2020	2020	2019
	\$	\$	\$
Excess (deficiency) of revenue over expenses from general operations	(5,243,058)	10,906,559	(5,152,561)
Excess of revenue over expenses from Nisga'a Settlement Trust operations	5,047,778	19,634,777	16,104,849
Net excess (deficiency) of revenue over expenses	(195,280)	30,541,336	10,952,288
Amortization of tangible capital assets	1,275,000	1,464,305	1,480,828
Acquisition of tangible capital assets	(1,079,720)	(1,111,248)	(1,620,524)
Disposal of tangible capital assets	-	7,890	432,106
Change in prepaid expenses	-	(54,064)	351,236
Increase in net financial assets	-	30,848,219	11,595,934
Net financial assets, beginning of the year	253,480,826	253,480,826	241,884,892
Net financial assets, end of the year	253,480,826	284,329,045	253,480,826

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, 2020

	2020	2019
	\$	\$
Operating activities		
Excess of revenue over expenses	30,541,336	10,952,288
Items not involving cash		
Amortization of tangible capital assets	1,464,305	1,480,828
Loss on disposal of tangible capital assets	7,890	432,106
	32,013,531	12,865,222
Changes in non-cash working capital		
Accounts and loans receivable	3,911,131	(6,038,287)
Accounts payable and accrued liabilities	(8,511,016)	6,500,862
Deferred revenue and deposits received	8,805,776	359,478
Silviculture obligation	256,267	109,222
Capital finance commission deferred revenue	4,417,995	4,529,393
Prepaid expenses	(54,064)	351,236
	40,839,620	18,677,126
Capital activity		
Acquisition of tangible capital assets	(1,111,248)	(1,620,524)
Investing activities		
Net change in designated cash	550,037	(4,099,457)
Increase in designated investments	(11,641,237)	(1,089,445)
Increase in designated trust funds	(19,554,128)	(5,387,035)
	(30,645,328)	(10,575,937)
Financing activities		
Repayment of long-term debt	(446,800)	(446,800)
Decrease in bank indebtedness	—	(545,056)
	(446,800)	(991,856)
Net cash inflow	8,636,244	5,488,809
Cash, beginning of year	8,992,064	3,503,255
Cash, end of year	17,628,308	8,992,064
Supplemental cash flow information		
Interest paid	40,331	46,718
Interest received	3,768,318	5,705,300

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

Nisga'a Lisims Government

Notes to the consolidated financial statements

Year ended March 31, 2020

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 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 how they are accounted for in the consolidated financial statements:

2. Summary of significant accounting policies (continued)

(a) Principles of consolidation (continued)

Consolidated

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)
K'alii Aks Construction Ltd. (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 Guide Outfitting Ltd. (i)
Lisims Communications Inc. (i)	Nisga'a Guide Outfitting Limited Partnership (i)
Lisims Forest Resource Limited Partnership (i)	Lisims Internet and Technology Services Inc.
K'alii Aks Construction Limited Partnership (i)	

(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 fully 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 tax revenues. Actual results could differ from those estimates, and the differences could be material.

Nisga'a Lisims Government
Notes to the consolidated financial statements
Year ended March 31, 2020

3. Accounts and loans receivable

	2020	2019
	\$	\$
Government funding and grants	99,282	352,167
GST and PST	388,695	390,891
Other accounts receivable	3,076,493	6,479,845
Accounts receivable - Government businesses	449,729	702,427
Business loans - various terms	623,765	554,779
Fishers loans - various terms	248,071	247,877
Gitlaxt'aamiks Village Government	277,616	283,510
	5,163,651	9,011,496
Allowance for doubtful accounts	(1,149,452)	(1,086,166)
	4,014,199	7,925,330

The loan to Gitlaxt'aamiks Village Government is unsecured and bears interest at a rate equivalent to the Government's line of credit from a commercial bank.

4. Capital finance commission deferred revenue

	2020	2019
	\$	\$
Deferred revenue, beginning of year	44,452,329	39,922,936
Interest and inflation adjustment earned	6,260,098	5,755,137
Eligible expenditures	(1,842,103)	(1,225,744)
Deferred revenue, end of year	48,870,324	44,452,329

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

5. 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. Cash as at March 31, 2020 includes \$674,519 (\$674,519 in 2019) of the approved funding that had not yet been disbursed.

Nisga'a Lisims Government
Notes to the consolidated financial statements
Year ended March 31, 2020

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

(b) Designated cash

	2020	2019
	\$	\$
Capital Finance Commission Fund	16,033,275	16,897,326
Business Development Fund	863,974	549,960
	16,897,249	17,447,286

(c) 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 the year, 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, 2020 were \$39,981,486 and \$38,450,711, respectively (\$28,340,249 and \$29,668,261, respectively, in 2019).

6. Designated trust funds

Nisga'a Settlement Trust

The Trust comprises:

	2020	2019
	\$	\$
(a) Interest bearing cash account with RBC Investor Services Trust	5,912,904	552,093
(b) Portfolio investments held by RBC Investor Services Trust at cost (market value \$311,496,283) (market value \$323,220,658 in 2019)	280,763,381	266,570,064
	286,676,285	267,122,157

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

Nisga'a Lisims Government
Notes to the consolidated financial statements

Year ended March 31, 2020

6. Designated trust funds (continued)

Nisga'a Settlement Trust (continued)

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

	\$
2007	5,506,421
2008	7,815,414
2009	7,040,000
2010	-
2011	3,699,288
2012	5,578,714
2013	5,245,217
2014	5,295,678
2015	6,277,156
2016	4,677,249
2017	4,997,333
2018	4,581,695
2019	5,241,286
2020	5,047,779
	<u>71,003,230</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, 2020, a distribution of \$nil (\$5,241,286 in 2019) was made out of the Trust monies.

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

	\$
2012	3,005,479
2013	6,845,000
2014	6,350,000
2015	4,300,000
2016	-
2017	-
2018	4,581,695
2019	5,241,286
2020	-
	<u>30,323,460</u>

Total loans from the Nisga'a Settlement trust are as follows:

	\$
2019	5,378,265

Nisga'a Lisims Government
Notes to the consolidated financial statements
Year ended March 31, 2020

7. Investments in other entities

	2020			2019		
	Shares/ units	Investment	Total	Shares/ units	Investment	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
		681,470	681,470		681,470	681,470

8. Credit and borrowing facilities

The Government has the following credit and borrowing facilities available:

- (a) A \$10,000,000 operating loan by way of prime rate less 0.25% loans or bankers acceptances;
- (b) A \$2,930,000 committed reduced term facility by way of a fixed rate term loan, floating rate term loan at prime rate less 0.25% or bankers acceptances;
- (c) A \$9,000,000 364 day committed revolving facility by way of prime rate less 0.25% loans or bankers acceptances; and
- (d) A \$9,000,000 committed term out provision facility by way of a fixed rate term loan, floating rate term loan at prime rate less 0.25% or bankers acceptances.

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, 2020, the Government had borrowed \$nil on these facilities (\$nil in 2019).

9. Accounts payable and accrued liabilities

	2020	2019
	\$	\$
Own source revenue liability	13,945,836	20,971,580
Accounts payable and accrued liabilities	2,190,652	3,099,905
Accounts payable and accrued liabilities - Government businesses	411,916	931,477
Elective leave and vacation liability	1,436,157	1,312,602
Personal income tax revenues repayable	90,802	388,997
Payroll liabilities	46,459	(71,723)
	18,121,822	26,632,838

10. Deferred revenue and deposits received

Deferred revenue and deposits received consists of proceeds received for specific projects to be completed in the future and forestry bid deposits held. These amounts will be recognized in the period monies are used for the purpose specified.

	2020	2019
	\$	\$
Deferred revenue and deposits received	12,320,896	3,430,400
Deferred revenue - Government businesses	—	84,720
	12,320,896	3,515,120

11. Long-term debt

	2020	2019
	\$	\$
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	632,967	1,079,767

Scheduled principal repayments required in the next two years, if otherwise not demanded, are as follows:

	\$
2021	446,800
2022	186,167
	632,967

12. Tangible capital assets (Schedule 1)

	2020	2019
	Net book value	Net book value
	\$	\$
Contributed land, natural resources and cultural resources	3	3
Land	2,200,899	1,417,649
Buildings and mobile homes	19,114,063	19,827,619
Boats and vessels	578,519	589,616
Automotive	280,731	469,284
Machinery and equipment	154,917	208,330
Furniture, fixtures and office equipment	83,097	106,832
Computer equipment	95,978	108,363
Communications infrastructure	111,476	114,066
Fibre optic network	2,588,041	2,836,437
Construction in progress	—	(109,528)
	25,207,724	25,568,671

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 these assets be recorded at fair 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

Nisga'a Lisims Government
Notes to the consolidated financial statements

Year ended March 31, 2020

13. Tax losses carried forward

The Nisga'a Pacific Ventures Group has incurred non-capital losses of \$584,115 (\$584,115 in 2019) for tax purposes 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 30, 2020, appropriated an amount of up to \$5,000,000 for the sole purpose of responding to the COVID-19 public health emergency, as part of its 2020/2021 budget. The Government has also subsequently received from Canada \$1,330,594 as its part of the Indigenous Community Support Fund and \$260,819 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 \$nil (\$600,000 in 2019) from the Trust during the year.
- (iii) The Government is contingently liable to banks for housing loan guarantees provided in the amount of \$2,000,000 (\$2,000,000 in 2019) under housing programs, and for a guarantee in the amount of \$704,000 (\$704,000 in 2019) to a bank for a loan to the Village of Laxgalts'ap. The housing loans total \$1,347,937 as at March 31, 2020 (\$1,441,994 in 2019).
- (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 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 \$78.6M is confirmed to be reimbursed, including principal repayments and interest. The amount is expected to be paid out in five equal installments between 2021 and 2025.

Nisga'a Lisims Government
Notes to the consolidated financial statements

Year ended March 31, 2020

15. Tax revenue

	2020	2019
	\$	\$
Goods and Services Tax	1,468,088	1,292,448
Federal personal income tax	2,611,200	3,261,637
Provincial sales tax	669,212	719,001
Provincial personal income tax	684,695	291,071
Property taxes	791,782	251,265
	6,224,977	5,815,422

16. Other revenues

	2020	2019
	\$	\$
Contract revenue	9,183,492	6,895,384
Other grants and contributions	701,639	1,004,606
Fish revenue	319,176	—
Other	316,343	129,656
Rental income	62,110	36,524
Levies, fees, permits and leases	24,373	89,888
	10,607,133	8,156,058

17. Expenses by object

	2020	2019
	\$	\$
Purchased goods and services	15,208,719	16,170,672
Compensation and training	13,357,750	14,153,816
Travel, accommodation and related costs	2,154,831	2,137,588
Amortization	1,292,084	1,480,828
Elders payments	1,140,000	1,545,000
Other grants and contributions	278,403	345,331
Urban housing and renovation grants	190,162	184,058
Other interest and bank charges	64,697	323,571
Own source revenue taxation (recovery)	(7,025,744)	7,025,744
	26,660,902	43,366,608

Purchased goods and services, compensation and training, amortization, travel, accommodation and other interest and bank charges include \$644,770, \$706,631, \$14,389, \$26,971 and \$13,527, respectively, in connection with the commercial entities.

Nisga'a Lisims Government
Notes to the consolidated financial statements

Year ended March 31, 2020

17. Expenses by object (continued)

Under the terms of the Fiscal Financing Agreement entered into effective April 1, 2019, the Government is not subject to own source revenue off-sets. As such, the liability recognized for fiscal 2019 of \$7,025,744 was reversed in fiscal 2020.

18. Defined contribution plan

The Government participates in an individual defined contribution plan for its permanent employees. Permanent employees 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 \$354,446 (\$359,131 in 2019) to the plan during the year.

19. Commercial entities revenue and expenses

								2020
								Nisga'a Pacific
								Ventures
								Limited
								Partnership
	Fisheries	Nass Area Properties	Telecom	Guide Outfitting and Tourism	Construction	Forestry		Total
	\$	\$	\$	\$	\$	\$	\$	\$
Revenue	—	872	877,595	—	109,891	606,277	(351,290)	1,243,345
Expenses	(2,455)	4,092	966,827	(50,316)	16,370	394,423	77,347	1,406,288
	2,455	(3,220)	(89,232)	50,316	93,521	211,854	(428,637)	(162,943)
								2019
								Nisga'a Pacific
								Ventures
								Limited
								Partnership
	Fisheries	Nass Area Properties	Telecom	Guide Outfitting and Tourism	Construction	Forestry		Total
	\$	\$	\$	\$	\$	\$	\$	\$
Revenue	270,871	488,624	799,293	306,370	263,834	242,803	12,820	2,384,615
Expenses	443,801	210,523	1,444,080	427,815	250,189	816,533	978,099	4,571,040
	(172,930)	278,101	(644,787)	(121,445)	13,645	(573,730)	(965,279)	(2,186,425)

20. 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, 2021 totals \$89,224,457.

(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.

21. 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 Lisims Forest Resource Limited Partnership. As Lisims Forest Resource Limited Partnership performs its silviculture obligations under the Nisga'a Forest Act, it claims reimbursement from the applicable silviculture account.

22. Changes in presentation

Certain comparative figures have been reclassified to conform to current year's presentation.

Nisga'a Lisims Government

Schedule 1 - Consolidated schedule of tangible capital assets

Year ended March 31, 2020

	Contributed land, natural resources 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
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Cost												
As at April 1, 2019	3	1,417,649	30,941,397	1,263,461	1,322,370	154,977	753,073	1,130,424	1,291,502	3,339,998	746,570	42,361,424
Additions	-	783,250	-	28,699	115,104	2,170	-	72,497	-	-	109,528	1,111,248
Disposals	-	-	(5,000)	-	(96,349)	-	-	(8,987)	(476,431)	-	-	(586,767)
	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
Accumulated amortization												
As at April 1, 2019	-	-	11,113,778	673,845	853,086	(53,353)	646,241	1,022,061	1,177,436	503,561	856,098	16,792,753
Additions	-	-	713,556	39,796	295,766	55,583	23,735	84,882	2,591	248,396	-	1,464,305
Disposals	-	-	(5,000)	-	(88,458)	-	-	(8,987)	(476,432)	-	-	(578,877)
	-	-	11,822,334	713,641	1,060,394	2,230	669,976	1,097,956	703,595	751,957	856,098	17,678,181
Net book value, March 31, 2020	3	2,200,899	19,114,063	578,519	280,731	154,917	83,097	95,978	111,476	2,588,041	-	25,207,724

	Contributed land, natural resources 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
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Cost												
As at April 1, 2018	3	634,931	30,665,736	1,165,587	1,553,256	631,229	787,843	1,130,424	1,090,704	2,541,234	1,814,504	42,015,451
Additions	-	863,000	102,619	97,874	106,460	175,946	70,706	-	200,798	-	3,121	1,620,524
Disposals	-	(80,282)	(99,249)	-	(337,346)	(652,198)	(105,476)	-	-	-	-	(1,274,551)
Transfer from construction in progress	-	-	272,291	-	-	-	-	-	-	798,764	(1,071,055)	-
	3	1,417,649	30,941,397	1,263,461	1,322,370	154,977	753,073	1,130,424	1,291,502	3,339,998	746,570	42,361,424
Accumulated amortization												
As at April 1, 2018	-	-	10,383,180	618,095	947,342	384,132	676,921	905,271	904,460	478,871	856,098	16,154,370
Additions	-	-	739,897	55,750	166,238	81,204	23,283	116,790	272,976	24,690	-	1,480,828
Impairment	-	-	(9,299)	-	(260,494)	(518,689)	(53,963)	-	-	-	-	(842,445)
	-	-	11,113,778	673,845	853,086	(53,353)	646,241	1,022,061	1,177,436	503,561	856,098	16,792,753
Net book value, March 31, 2019	3	1,417,649	19,827,619	589,616	469,284	208,330	106,832	108,363	114,066	2,836,437	(109,528)	25,568,671

Nisga'a Lisims Government

Schedule 2 - Consolidated schedule of segment disclosure

Year ended March 31, 2020

	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	2020 Consolidated
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Revenue										
Fiscal financing agreement and related funding	80,443,946	-	101,335	-	-	-	-	-	-	80,545,281
Investment income	21,676,002	543,271	68,198	-	-	-	-	(611,469)	-	21,676,002
Tax revenue	6,224,977	-	-	-	-	-	-	-	-	6,224,977
Other revenue	10,218,776	-	388,357	-	-	-	-	-	-	10,607,133
Revenue from commercial entities	-	-	-	-	1,243,345	-	-	-	-	1,243,345
Contribution from Lisims Fisheries Conservation Trust	-	-	-	-	-	-	-	-	-	-
Targeted funding - ISC	1,476,361	-	-	-	-	-	-	-	-	1,476,361
	120,040,062	543,271	557,890	-	1,243,345	-	-	(611,469)	-	121,773,099
Expenses										
Nass area strategy	1,781,068	-	-	-	-	-	-	-	-	1,781,068
Own source revenue taxation	(7,025,744)	-	-	-	-	-	-	-	-	(7,025,744)
Administration	7,908,166	-	-	-	-	-	-	(611,469)	-	7,296,697
Programs and services	7,155,516	-	-	-	-	-	-	-	-	7,155,516
Expenses of commercial entities	-	-	-	-	1,406,288	-	-	-	-	1,406,288
Governance	4,960,955	-	-	-	-	-	-	-	-	4,960,955
Fish, wildlife and migratory birds	3,149,159	-	-	-	-	-	-	-	-	3,149,159
Lands and resources	3,423,668	-	-	-	-	-	-	-	-	3,423,668
Settlement Fund	1,470,146	-	-	-	-	-	-	-	-	1,470,146
Elders payment	1,140,000	-	-	-	-	-	-	-	-	1,140,000
Amortization	1,277,695	-	-	-	-	-	-	-	-	1,277,695
Commercial development	78,540	103,000	443,914	-	-	-	-	-	-	625,454
	25,319,169	103,000	443,914	-	1,406,288	-	-	(611,469)	-	26,660,902
Transfers and operating grants										
Nisga'a Village Governments	34,415,837	-	-	-	-	-	-	-	-	34,415,837
Nisga'a Valley Health Authority	17,105,084	-	-	-	-	-	-	-	-	17,105,084
Nisga'a School Board #92	8,816,091	-	-	-	-	-	-	-	-	8,816,091
Nisga'a Urban Locals	3,286,853	-	-	-	-	-	-	-	-	3,286,853
Wilp Wilxo'oskwhl Nisga'a	946,996	-	-	-	-	-	-	-	-	946,996
	64,570,861	-	-	-	-	-	-	-	-	64,570,861
Excess of revenue over expenses	30,150,032	440,271	113,976	-	(162,943)	-	-	-	-	30,541,336

Nisga'a Lisims Government

Schedule 2 - Consolidated schedule of segment disclosure

Year ended March 31, 2019

	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	2019 Consolidated
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Revenue										
Fiscal financing agreement and related funding	72,726,073	-	360,213	-	-	-	-	-	-	73,086,286
Investment income	17,571,810	504,196	21,139	-	-	-	-	(504,196)	-	17,592,949
Tax revenue	5,815,422	-	-	-	-	-	-	-	-	5,815,422
Other revenue	7,956,058	-	200,000	-	-	-	-	-	-	8,156,058
Revenue from commercial entities	-	-	-	-	2,384,615	-	-	-	-	2,384,615
Contribution from Lisims Fisheries Conservation Trust	600,000	-	-	-	-	-	-	-	-	600,000
Targeted funding - ISC	946,714	-	-	-	-	-	-	-	-	946,714
	105,616,077	504,196	581,352	-	2,384,615	-	-	-	(504,196)	108,582,044
Expenses										
Nass area strategy	1,632,650	-	-	-	-	-	-	-	-	1,632,650
Own source revenue taxation	7,025,744	-	-	-	-	-	-	-	-	7,025,744
Administration	8,616,092	-	-	-	-	-	-	(504,196)	-	8,111,896
Programs and services	7,533,798	-	-	-	-	-	-	-	-	7,533,798
Expenses of commercial entities	-	-	-	-	4,571,040	-	-	-	-	4,571,040
Governance	4,194,244	-	-	-	-	-	-	-	-	4,194,244
Fish, wildlife and migratory birds	3,268,505	-	-	-	-	-	-	-	-	3,268,505
Lands and resources	1,995,845	-	-	-	-	-	-	-	-	1,995,845
Settlement Fund	1,341,644	-	-	-	-	-	-	-	-	1,341,644
Elders payment	1,545,000	-	-	-	-	-	-	-	-	1,545,000
Amortization	1,311,060	-	-	-	-	-	-	-	-	1,311,060
Commercial development	275,543	100,725	458,914	-	-	-	-	-	-	835,182
	38,740,125	100,725	458,914	-	4,571,040	-	-	-	(504,196)	43,366,608
Transfers and operating grants										
Nisga'a Village Governments	25,872,413	-	-	-	-	-	-	-	-	25,872,413
Nisga'a Valley Health Authority	16,748,367	-	-	-	-	-	-	-	-	16,748,367
Nisga'a School Board #92	8,739,475	-	-	-	-	-	-	-	-	8,739,475
Nisga'a Urban Locals	2,011,058	-	-	-	-	-	-	-	-	2,011,058
Wilp Wilxo'oskwhl Nisga'a	891,835	-	-	-	-	-	-	-	-	891,835
	54,263,148	-	-	-	-	-	-	-	-	54,263,148
Excess of revenue over expenses	12,612,804	403,471	122,438	-	(2,186,425)	-	-	-	-	10,952,288