



2019-2020 ANNUAL REPORT

Culture siyólexwe DAX,ET Naut'sa mawt
s'iwesá:ylhem xa-usthelum Learn
Osiem 'imush q'ép Emot? Sul-hween
Integrity Osiem ti:sx^wəs Walk WÍCSENEK
Hwiyunem totí:lt CEN,TOL NECITEL
łaxay WÍCSENEK Collaborate ta?ow
xa-usthelum ti:sx^wəs ímexstexw
Together čiyε?anə tıtwšəm q'ép
DAX,ET Naut'sa mawt siyólexwe
SIIÁM TFE NE SCÁLEĆ Together'imush
Ni'wut Sul-hween ?εməš q'ép totí:lt
ímexstexw Respect s'iwesá:ylhem

ALIGNING WITH OUR VALUES

Naut'sa mawt Tribal Council Annual Report 2019-2020



ʔəy' sweyəl

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Message from the Chairman of the Board and CAO

Chief Darren Blaney, Chairman of the Board

Gary Reith, Chief Administrative Officer

We are pleased to welcome you to the 2019/2020 Annual General Meeting of Naut'sa mawt Tribal Council. We acknowledge and thank the Directors, Elders and staff for their efforts this year.

2019/2020 was a year of "Aligning with our Values". The increase in scope and scale of our activities over the past several years has seen Naut'sa mawt emerge as an organization with a national profile.

With growth, comes the responsibility of ensuring that all aspects of our work honours the vision and values of our organization.

We began the year by developing a five year Strategic Plan for 2020-2025. Grounded in our teachings and leaning on our elder's guidance, we clearly defined our goals and priorities.

- PROVIDE quality, well-defined strategic services for members.
- DEMONSTRATE organizational and operational excellence.
- DEVELOP excellent communication and information exchange
- ACHIEVE financial self-sufficiency and resiliency while honouring our values and benefiting members.

We then looked closely at all aspects of our organization to ensure that we were aligned with these goals. Evaluating and assessing services, partnerships, and staffing gaps are never easy to navigate. These hard looks into our organization lead us to make decisions to best serve and meet the needs of our organization. This included:

- Discontinuing relationships with partners that either did not align with our core values or proved unable to support the attainment of our goals.
- Expanding Advisory Services and Enhanced Technical Services to meet priorities identified by our member Nations.
- Implementing changes to financial process and procedures
- Reallocating resources to meet our priorities
- Growing our team
- Developing an online Data Governance and Reporting system

The year 2019/2020 posed organizational and financial challenges to our organization, not to mention the emergence of COVID-19 as a serious health risk. We are confident that as we lean into the guidance that has been set before us by our Directors and Elders, we can stand true with the “aligned” values in which we believe.

Gary Reith

Gary Reith, CAO
Naut'sa mawt Tribal Council



*Gary Reith, CAO
Naut'sa mawt Tribal Council*

Darren Blaney

Chief Darren Blaney, Chair
Naut'sa mawt Tribal Council Board of Directors

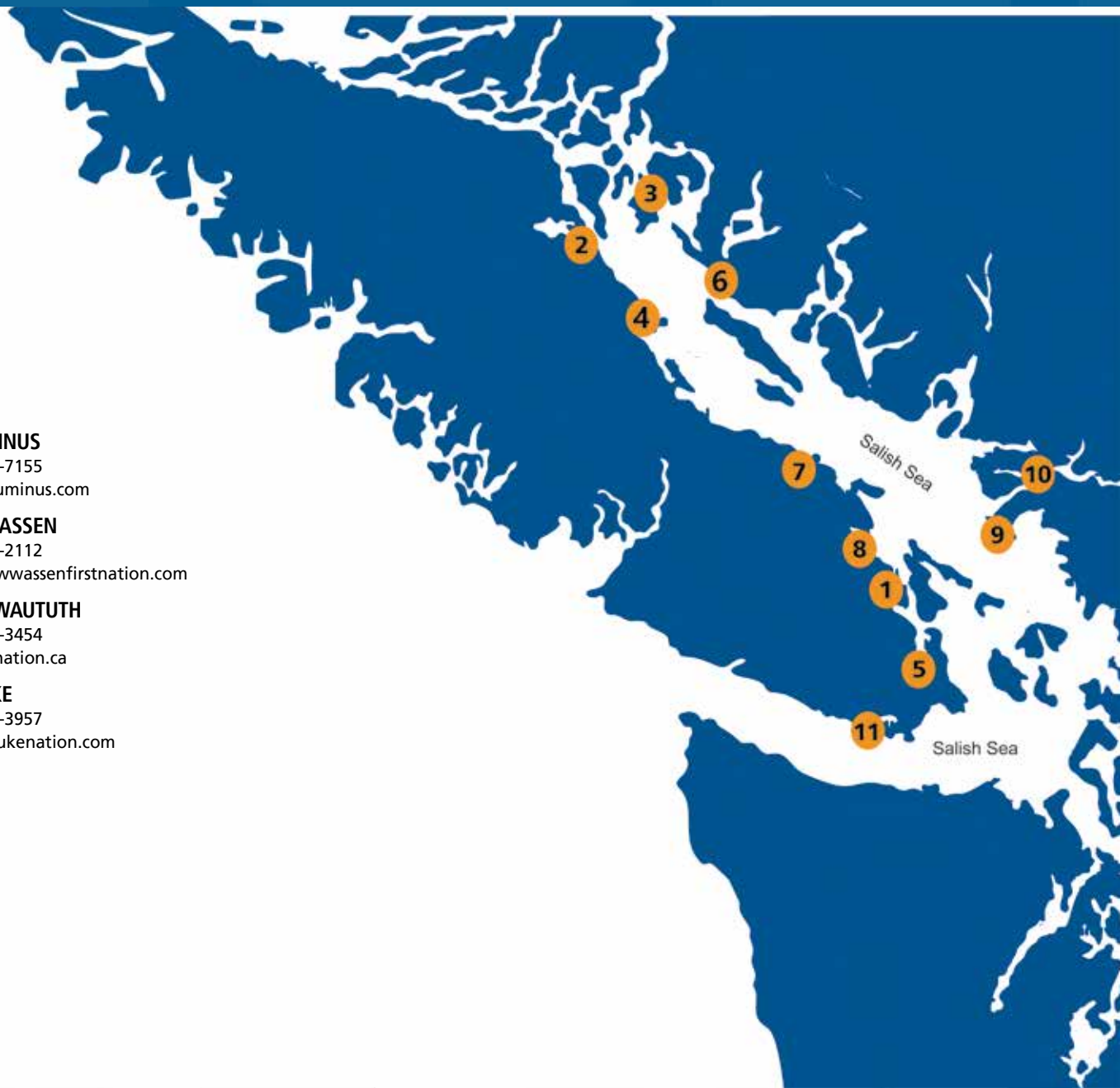


*Chief Darren Blaney, Chair
NmTC Board of Directors*



Naut'sa mawt Tribal Council Member Nations

1. **HALALT**
(250) 246-4736
www.halalt.org
2. **HOMALCO**
(250) 923-4979
www.homalco.com
3. **KLAHOOSE**
(250) 935-6536
www.klahoose.com
4. **K'ÒMOKS**
(250) 339-4545
www.komoks.ca
5. **MALAHAT**
(250) 743-3231
www.malahatnation.com
6. **TLA'AMIN**
(604) 483-9646
www.tlaaminnation.com
7. **SNAW-NAW-AS**
(250) 390-3661
www.nanoose.org
8. **STZ'UMINUS**
(250) 245-7155
www.stzuminus.com
9. **TSAWWASSEN**
(604) 943-2112
www.tsawwassenfirstnation.com
10. **TSLEIL-WAUTUTH**
(604) 929-3454
www.twnation.ca
11. **T'SOU-KE**
(250) 642-3957
www.tsoukenation.com





Working Together As One

Naut'sa mawt Tribal Council

Naut'sa mawt Tribal Council (NmTC) was incorporated as a non-profit society in 1983 under the name of the Alliance Tribal Council, operating under broad authorities provided by the Indigenous Services Canada (ISC) and the Indian Act. Tribal Councils are defined as groupings of First Nations with common interests who voluntarily join together to provide advisory and/or program services to their member nations. NmTC is a registered society under the BC Society Act, S-0018531.

NmTC proudly serves eleven member First Nations. We receive funding support from ISC under the Tribal Council Policy program and from our earned income, which includes joint ventures, corporate subsidiaries, event management, and project management services.

Our Vision

Naut'sa mawt Tribal Council supports its member nations in realizing their efforts towards self reliance, self governance, connection to culture, and quality of life now and for future generations.

Our Strategic Goals

PROVIDE quality, well-defined strategic services for members.

DEMONSTRATE organizational and operational excellence.

DEVELOP excellent communication and information exchange among members and NmTC.

ACHIEVE financial self-sufficiency and resiliency while honouring our values and benefiting members.

Our Values

O'siem or Emot (Respect)

We respect each other and our partners in all that we say and do. We build trusting relationships based on open and honest communication, sharing, and inclusiveness. We treat everyone with dignity, understanding and respect.

Culture

We follow our cultural values and seek guidance from our elders – echoing their teachings as we perform our duties. We respect, understand and learn from the past so that we can revitalize and share our traditional languages and cultural practices and reflect pride in all we do

Listening

We listen with a peaceful heart and help each other to understand, succeed, and realize our shared goals, individual needs, and the goals of our communities.

Naut'sa mawt or Ay'Ajuthum (Collaboration)

We work together as one, collaborating with our member nations for the common good of our communities by sharing knowledge and best practices. We connect with our member Nations by working together and developing a vision for a sustainable future.

Providing Value

We support our member nations in ways that meet their needs. Our programs and services are flexible, innovative and creative.

Integrity

We build relationships based upon a foundation of professionalism, accountability and ethics.

Corporate Governance

NmTC Board of Directors

The Board of Directors are appointed by their respective councils to represent their nations at the tribal council. After each election the Chief is automatically appointed to the board. A BCR or Order will allow a nation to appoint another member from their council. The Board of Directors as a whole is responsible for managing the society and is accountable for the proper conduct of the society's affairs. The board of directors of a society must:

- Take action to achieve the objectives of the society.
- Establish policies about how the society will be governed.
- Propose amendments to the constitution and bylaws of the society, as circumstances change, for the consideration of the members.
- Approve an annual budget and secure the needed financial resources.
- Elect or appoint officers who will ensure high-quality board leadership in accordance with the bylaws.
- Report to Members.

NmTC Elders Council

The Elders' Council guides the work of NmTC with its collective wisdom related to cultures, protocols, traditions, and languages.

The intent of the NmTC Elders' Advisor Council (Council) is to provide advice on Coast Salish tradition, language, and culture to the NmTC Board. The Council is a source of wisdom and knowledge about Coast Salish spiritual and cultural protocol. The Council are considered honorary members of the tribal council under section 10 of the NmTC Bylaws.

To be eligible to serve on the Council the individual:

- Must be a members of one of the eleven NmTC Member Nations;
- Be recognized as an Elder within their Nation;
- Not be a member of their Nation's elected council, and
- Be interested in serving their Nation.





ADVISORY SERVICES HIGHLIGHTS

Nmtc 2020 – 2025 Strategic Plan:

A five-year strategic planning process to facilitate direction from directors, elders and administration from each nation ensuring that the diverse facets of NMTC are aligned in their values, goals, and priorities.

NmTC Data Governance and Reporting System:

Funding was awarded to develop and implement an online data management tool for NmTC and member First Nations. A series of “workouts” were held for staff and members to identify priorities. An online reporting tool was developed.

Community wellness across the Salish Sea:

Funding awarded by New Relationship Trust (NRT) with five NmTC member First Nations. 80 participants attended over 7 sessions.

2019 CCP Workshop:

Three day comprehensive community planning workshop for all BC First Nations. 150 participants, 30 presenters, and 15 NmTC member Nation participants.

Entrepreneurship Training Sessions:

7 participants attended an intensive 4 week program held in Lund, BC.

Needs Assessments:

In-person meetings with Member Nations to discuss community needs

10 Year Grant workshop:

Information session with the Financial Management board on this very important program for NmTC Member Nations.

CCP Online Planning Tool:

A tool developed for Canadian First Nations with input and direction from NmTC Member Nations

Housing and Infrastructure Engagement Session:

5 participating Nations.

Supporting ICISP with XyntaxAM Workshop:

6 participating Nations.

The Emergency Plan Gap Analysis Tool:

A tool developed using Innomergence was developed and deployed in Member Nation communities. Workshops were held with 7 participating Member Nations.

Operations Health and Safety workshop:

5 participating Nations



CONSOLIDATED FINANCIAL STATEMENTS

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Management's Responsibility

To the Board of Naut'sa mawt Tribal Council:

The accompanying consolidated financial statements of Naut'sa mawt Tribal Council are the responsibility of management and have been approved by the Board.

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

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

The Naut'sa mawt Tribal Council Board is responsible for overseeing management in the performance of its financial reporting responsibilities, and for approving the consolidated financial statements. The Board fulfils these responsibilities by reviewing the financial information prepared by management and discussing relevant matters with management and external auditors. The Board is also responsible for recommending the appointment of the Tribal Council's external auditors.

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

July 15, 2021



Administrator



Independent Auditor's Report

To the Members of Naut'sa mawt Tribal Council:

Report on the Audit of the Consolidated Financial Statements

Qualified Opinion

We have audited the consolidated financial statements of Naut'sa mawt Tribal Council (the "Tribal Council"), which comprise the consolidated statement of financial position as at March 31, 2020, and the consolidated statements of operations and accumulated deficit, change in net debt, cash flows and the related schedules for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, except for the effects of the matters described in the Basis for Qualified Opinion section of our report, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Tribal Council as at March 31, 2020, and the results of its consolidated operations, changes in its net debt and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Qualified Opinion

Naut'sa mawt Resource Group has been assessed as not being self-sustaining at March 31, 2020 and therefore should be consolidated into the Naut'sa mawt Tribal Council's consolidated financial statements. Instead, the investment in Naut'sa mawt Resource Group has been reported using the modified equity method which is a departure from Canadian public sector accounting standards.

While the Tribal Council prepared a budget for certain programs, we were unable to verify that the Tribal Council Board formally approved the budget for the year ending March 31, 2020. Canadian public sector accounting standards requires the approved budget to be presented in the consolidated statements of operations and accumulated deficit and changes in net debt. The budgeted revenues, expenses and surplus have not been reported in these consolidated financial statements.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Tribal Council in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Other Matter

The consolidated financial statements of the Tribal Council for the year ended March 31, 2019 were audited by another firm of public accountants who expressed a qualified opinion on those statements on November 14, 2019. The basis for qualification was due to the Tribal Council holding an investment in a government business enterprise which was not subject to audit procedures. The prior firm was unable to determine whether adjustments to the investment, net income (loss) and accumulated deficit were required.

Other Information

Management is responsible for the other information, consisting of the annual report, which is expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.



ACCOUNTING > CONSULTING > TAX
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T: 250.753.8251 F: 250.754.3999 MNP.ca

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements

As required by the Societies Act of British Columbia, we report that, in our opinion, the accounting policies applied in preparing and presenting the consolidated financial statements in accordance with Canadian public sector accounting standards have been applied on a basis consistent with that of the preceding year.

Nanaimo, British Columbia

July 15, 2021

MNP LLP

Chartered Professional Accountants



Naut'sa mawt Tribal Council
Consolidated Statement of Financial Position
As at March 31, 2020

	2020	2019
Financial assets		
Cash and cash equivalents	3,251,854	2,404,069
Accounts receivable (Note 3)	2,331,173	9,526,321
Investment in Naut'sa mawt Resource Group Inc. (Note 4)	874,457	869,509
Total of financial assets	6,457,484	12,831,899
Liabilities		
Accounts payable and accruals (Note 5)	3,117,286	4,568,384
Deferred revenue (Note 6)	5,876,108	9,458,720
Total of financial liabilities	8,993,394	14,027,104
Net debt	(2,535,910)	(1,195,205)
Significant event (Note 14)		
Non-financial assets		
Tangible capital assets (Note 8)	33,810	22,068
Prepaid expenses	7,288	2,645
Total non-financial assets	41,098	24,713
Accumulated deficit (Note 7)	(2,484,812)	(1,170,492)

Approved on behalf of the Board of Directors


 Director


 Director

The accompanying notes are an integral part of these financial statements



Naut'sa mawt Tribal Council
Consolidated Statement of Operations and Accumulated Deficit
For the year ended March 31, 2020

	<i>Schedules</i>	<i>2020</i>	<i>2019</i>
Revenue			
Indigenous Services Canada ("ISC") (Note 10)		14,936,809	18,864,129
Province of BC (recovery)		(55,000)	100,000
Privy Council		865,853	7,653,635
Interest income		131,790	70,301
Administration fee (recovery)		141,747	(9,362)
Other revenue		884,971	688,274
FNHA recovery		-	(83,821)
Earnings (loss) from investment in Naut'sa mawt Resource Group Inc. (Note 4)		(285,132)	143,113
		16,621,038	27,426,269
Program expenses			
Administration	1	1,121,118	1,037,137
Programs	2	16,783,640	25,572,002
Enterprise Fund	3	40,600	40,600
Total expenses		17,945,358	26,649,739
Surplus (deficit)		(1,324,320)	776,530
Accumulated deficit, beginning of year		(1,170,492)	(1,947,022)
Accumulated deficit, end of year		(2,494,812)	(1,170,492)

The accompanying notes are an integral part of these financial statements

Naut'sa mawt Tribal Council
Consolidated Statement of Change in Net Debt
For the year ended March 31, 2020

	<i>2020</i>	<i>2019</i>
Annual surplus (deficit)	(1,324,320)	776,530
Purchases of tangible capital assets	(14,686)	(5,965)
Amortization of tangible capital assets	2,945	4,771
Acquisition of prepaid expenses	(4,644)	-
Use of prepaid expenses	-	460,764
Decrease (increase) in net debt	(1,340,705)	1,236,100
Net debt, beginning of year	(1,195,205)	(2,431,305)
Net debt, end of year	(2,535,910)	(1,195,205)

The accompanying notes are an integral part of these financial statements

Naut'sa mawt Tribal Council
Consolidated Statement of Cash Flows
For the year ended March 31, 2020

	2020	2019
Cash provided by (used for) the following activities		
Operating activities		
Surplus (deficit)	(1,324,320)	776,530
Non-cash items		
Amortization	2,945	4,771
Bad debts	46,615	-
Earnings (loss) from investment in Naut'sa mawt Resource Group Inc.	285,132	(143,113)
	(989,628)	638,188
Changes in working capital accounts		
Accounts receivable	7,150,533	(1,813,099)
Prepaid expenses	(4,644)	460,764
Accounts payable and accruals	(1,451,098)	(872,176)
Deferred revenue	(3,582,612)	(1,373,899)
	1,122,551	(2,960,222)
Capital activities		
Purchases of tangible capital assets	(14,686)	(5,965)
Investing activities		
Advances to investment in Naut'sa mawt Resource Group Inc.	(260,080)	(125,596)
Increase (decrease) in cash resources	847,785	(3,091,783)
Cash resources, beginning of year	2,404,069	5,495,852
Cash resources, end of year	3,251,854	2,404,069

The accompanying notes are an integral part of these financial statements

Naut'sa mawt Tribal Council
Notes to the Consolidated Financial Statements
For the year ended March 31, 2020

1. Operations

The Naut'sa mawt Tribal Council (the "Tribal Council") is located in the province of British Columbia, and is a non-profit society, incorporated in 1983, that proudly serves eleven member Nations.

The Tribal Council provides various services to its members in five core delivery areas that include: economic development; financial management; community planning; technical services; and governance.

The Tribal Council is governed by a Board of Directors, made up of one representative from each of the eleven member Nations, appointed by their respective Councils.

2. Significant accounting policies

These consolidated financial statements are the representations of management, prepared in accordance with Canadian public sector accounting standards and including the following significant accounting policies:

Reporting entity consolidated

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

- Naut'sa Mawt Resources Group Inc (NRG) - 100% Interest

Basis of presentation

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

Net financial assets (net debt)

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

Asset classification

Assets are classified as either financial or non-financial. Financial assets are assets that could be used to discharge existing liabilities or finance future operations. Non-financial assets are acquired, constructed or developed assets that do not normally provide resources to discharge existing liabilities but are employed to deliver government services, may be consumed in normal operations and are not for resale in the normal course of operations. Non-financial assets include tangible capital assets and prepaid expenses.

Naut'sa mawt Tribal Council
Notes to the Consolidated Financial Statements
For the year ended March 31, 2020

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

Cash resources

Cash resources includes balances with banks and short-term investments with maturities of three months or less.

Tangible capital assets

Tangible capital assets are recorded at cost less accumulated amortization. Contributed tangible capital assets are recorded at their fair value on the date of contribution.

Amortization

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

	Method	Rate
Computer equipment	declining balance	20 %
Furniture and equipment	declining balance	20 %

Revenue recognition

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

i) **Government Funding**

Government funding is recognized as revenue when the transfer is authorized and any eligibility, criteria are met, except to the extent that transfer stipulations give rise to an obligation that meets the definition of a liability. Transfers are recognized as deferred revenue when transfer stipulations give rise to a liability. Transfer revenue is recognized in the statement of operations as the stipulation liabilities are settled.

ii) **Own source and other revenue**

Own source and other revenue is recognized when performance is completed, amounts are measurable and collection is reasonably assured.

iii) **Fees and Services**

Revenue related to fees or services received in advance of the fees being earned or the services performed is deferred and recognized when the fees are earned or the services performed.

iv) **Investment income**

Investment income is recognized by the Tribal Council when investment income is earned.

Naut'sa mawt Tribal Council
Notes to the Consolidated Financial Statements
For the year ended March 31, 2020

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

Measurement uncertainty (use of estimates)

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

Accounts receivable are stated after evaluation as to their collectibility and an appropriate allowance for doubtful accounts is provided where considered necessary. Amortization is based on the estimated useful lives of tangible capital assets.

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

3. **Accounts receivable**

	2020	2019
Federal government funding	760,956	7,911,930
Goods and services tax receivable	1,052,097	782,552
Trade receivables	545,376	1,004,287
	2,358,429	9,698,769
Less: Allowance for doubtful accounts	27,256	170,448
	2,331,173	9,528,321

4. **Investments in Naut'sa mawt Resource Group Inc.**

The investment in Naut'sa Mawt Resources Group Inc. ("NRG") consists of the following:

	Investment cost	Loans / advances	Cumulative share of earnings (loss)	2020 Total investment
Wholly-owned Businesses:				
Naut'sa mawt Resource Group	50	2,509,299	(1,634,892)	874,457
				2019
	Investment cost	Loans / advances	Cumulative share of earnings (loss)	Total investment
Wholly-owned Businesses:				
Naut'sa mawt Resource Group	50	2,249,219	(1,349,760)	899,509

Continued on next page

Naut'sa mawt Tribal Council
Notes to the Consolidated Financial Statements
For the year ended March 31, 2020

4. Investment in Naut'sa mawt Resource Group Inc. *(Continued from previous page)*

i) The related party advances due from NRG of \$2,509,299 (2019 - \$2,249,219) is unsecured and without interest or fixed terms of repayment.

ii) The loan due from NRG of \$887,781 (2019 - \$887,781) is interest bearing at 7% per annum. The loan principal and interest was due on August 31, 2018. The Tribal Council charged NRG \$40,600 (2019 - \$40,600) of interest on the loan and the same amount was set up as allowance for doubtful account. The loan was not settled as of the date of the Independent Auditor's Report nor any arrangements made for the repayment of same and has been written down to \$nil (2019 - \$nil).

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

	<i>Naut'sa mawt Resource Group As at March 31, 2020</i>
Assets	
Cash	90,658
Accounts receivable	109,676
Due from related parties	55,975
Investments	1,578,223
Total assets	1,834,532
Liabilities	
Accounts payable and accruals	40,070
Due to related parties	3,429,304
Total liabilities	3,469,374
Total accumulated deficit	(1,634,842)
Total revenue	345,470
Total expenses	584,331
Net loss	(238,861)
Comprehensive loss	(238,861)

5. Accounts payable and accruals

	2020	2019
Trade payable and accruals	2,452,758	3,850,499
ISC payable	594,453	612,188
Wages and source deductions payable	27,053	24,496
Pension payable	1,538	26,993
Vacation accrual payable	41,484	54,208
	3,117,286	4,568,384

The vacation accrual liability is comprised of the vacation that employees are deferring to future years. Employees have either earned the benefits or are entitled to these benefits within the next budgetary year.

The Tribal Council provides a defined contribution plan for eligible members of its staff. Members are required to contribute 5% of their salary and the Tribal Council is required to match their contribution of 5%. The amount of the retirement benefit to be received by the employees will be the amount of the retirement annuity that could be purchased based on the member's share of the pension plan at the time of the member's withdrawal from the plan. The Tribal Council contributed during the year \$68,311 (2019 - \$55,398) for retirement benefits. The Tribal Council does not have any other obligations with regards to the pension plan as at March 31, 2020.

Naut'sa mawt Tribal Council
Notes to the Consolidated Financial Statements
For the year ended March 31, 2020

6. Deferred revenue

	2020	2019
Indigenous Services Canada	5,632,007	9,203,524
Province of BC	102,083	178,411
Others	142,018	76,785
	5,876,108	9,458,720

7. Accumulated deficit

	2020	2019
Restricted		
Capital Reserve Fund	452,992	452,992
Unrestricted		
Operating Fund	(1,065,963)	(15,033)
Enterprise Fund	(1,915,651)	(1,630,519)
Invested in Tangible Capital Assets	33,810	22,068
	(2,947,804)	(1,623,484)
	(2,494,812)	(1,170,492)

8. Tangible capital assets

	Cost	Additions	Disposals	Accumulated amortization	2020 Net book value
Furniture and equipment	11,332	-	-	11,332	-
Computer equipment	95,251	14,686	-	76,127	33,810
	106,583	14,686	-	87,459	33,810
	Cost	Additions	Disposals	Accumulated amortization	2019 Net book value
Furniture and equipment	11,332	-	-	13,139	(1,807)
Computer equipment	89,286	5,965	-	71,376	23,875
	100,618	5,965	-	84,515	22,068

9. Director and employee remuneration

The Tribal Council paid twenty (2019 - seventeen) board members, proxy and elders a total of \$27,300 (2019 - \$21,325) for honorarium. During the year six employees (2019 - five) were paid more than \$75,000, that amount being \$619,169 (2019 - \$520,567).

Naut'sa mawt Tribal Council
Notes to the Consolidated Financial Statements
For the year ended March 31, 2020

10. Indigenous Services Canada ("ISC") revenue reconciliation

	2020	2019
ISC revenue per confirmation	11,959,745	17,558,213
2016-2017 recovery per ISC	-	(27,498)
2017-2018 recovery per ISC financial review letter	(570,885)	-
2018-2019 recovery per ISC financial review letter	(23,568)	-
Deferred revenue - prior year	9,203,524	10,536,938
Deferred revenue - current year	(5,632,007)	(9,203,524)
	14,936,809	18,864,129

11. Economic dependence

Naut'sa mawt Tribal Council receives a significant portion of its revenue pursuant to a funding agreement with Indigenous Services Canada. The nature and extent of this revenue is of such significance that the Tribal Council is economically dependent on this source of revenue.

12. Budget information

Canadian public sector accounting (PSA) standards require the disclosure of budget information for comparison to the Tribal Council's actual revenue and expenses based on the original approved budget. The Tribal Council prepared a budget for the year ended March 31, 2020 for certain programs, however the budget was not formally approved by the Board. The consolidated budgeted revenue and expenses, and surplus have not been reported in these consolidated financial statements. While having no effect on reported revenue, expenses, and surplus, omission of this information is considered a departure from PSA standards.

13. Comparative figures

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

14. Significant event

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

Naut'sa mawt Tribal Council
Administration
Schedule 1 - Consolidated Schedule of Revenue and Expenses
For the year ended March 31, 2020

	2020	2019
Revenue		
Indigenous Services Canada	578,451	562,084
Interest income	91,190	29,701
Administration fee	999,669	1,197,308
Other revenue	24,000	99,561
	1,693,310	1,888,654
Expenses		
Advertising	6,976	3,371
Amortization	2,945	4,771
Bad debts	2,178	30,396
Bank charges and interest	5,970	5,420
Catering	550	367
Contracted services	124,242	86,093
Equipment Rental	11,590	52,018
Grants and contributions	30,000	33,000
Honoraria	300	550
Insurance	8,573	5,928
Meeting (recovery)	-	(4,893)
Office	118,965	102,613
Professional fees	113,586	74,817
Rent	65,308	19,841
Repairs and maintenance	13,637	18,868
Salaries and benefits	490,770	523,114
Telephone & Utilities	30,412	30,277
Travel	95,116	50,586
	1,121,118	1,037,137
Surplus	572,192	851,517

**Naut'sa mawt Tribal Council
Programs**
Schedule 2 - Consolidated Schedule of Revenue and Expenses
For the year ended March 31, 2020

	2020	2019
Revenue		
Indigenous Services Canada	14,358,358	18,286,121
Province of BC (recovery)	(55,000)	100,000
Privy Council	865,853	7,653,635
Administration fee (recovery)	(857,922)	(1,206,671)
Other revenue	860,971	588,713
FNHA recovery	-	(83,821)
	15,172,260	25,337,977
Expenses		
Advertising	3,095	5,199
Bad debts	3,837	-
Catering	1,110,479	2,160,238
Contracted services	10,741,352	18,077,478
Family accommodation and travel	755,177	1,352,429
Honoraria	77,588	75,162
Meeting	2,854,178	2,755,202
Office	165,877	102,917
Professional fees	4,800	2,697
Salaries and benefits	843,926	540,505
Telephone & utilities (recovery)	(543)	750
Travel	223,874	499,425
	16,783,640	25,572,002
Deficit	(1,611,380)	(234,025)

**Naut'sa mawt Tribal Council
Enterprise Fund**
Schedule 3 - Consolidated Schedule of Revenue and Expenses
For the year ended March 31, 2020

	2020	2019
Revenue		
Earnings (loss) from investment in Naut'sa mawt Resource Group Inc.	(285,132)	143,113
Interest income	40,600	40,600
	(244,532)	183,713
Expenses		
Bad debts	40,600	40,600
Surplus (deficit)	(285,132)	143,113

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