

Huu-ay-aht Government
Consolidated Financial Statements
For the year ended March 31, 2022

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Management's Responsibility for Financial Reporting

The accompanying consolidated financial statements of the Huu-ay-aht Government (the "Government") are the responsibility of management and have been approved by the Executive Council of the Government.

The consolidated financial statements have been prepared by management in accordance with Canadian public sector accounting standards. The consolidated financial statements are not precise since they include certain amounts based on estimates and judgments. When alternative accounting methods exist, management has chosen those it deems most appropriate in the circumstances, in order to ensure that the consolidated financial statements are presented fairly, in all material respects.

Management maintains systems of internal accounting and administrative controls consistent with reasonable cost. Such systems are designed to provide reasonable assurance that the financial information is relevant, reliable and accurate and the Government's assets are appropriately accounted for and adequately safeguarded.

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

The Executive Council reviews the Government's consolidated financial statements and recommends their approval to the People's Assembly. The Executive Council meets periodically with management, as well as the external 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 annual report, the consolidated financial statements and the external auditor's report. The Executive Council takes this information into consideration when approving the consolidated financial statements for issuance to the citizens. The Executive Council also appoints the engagement of the external auditors.

The consolidated financial statements have been audited by BDO Canada LLP in accordance with Canadian generally accepted auditing standards on behalf of the citizens. BDO Canada LLP has been given unrestricted access to all financial and other records of the Government.

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Chief Financial Officer

January 12, 2023

Independent Auditor's Report

To the Executive Council of the Huu-ay-aht Government

Opinion

We have audited the consolidated financial statements of the Huu-ay-aht Government and its controlled entities (the "Consolidated Entity"), which comprise the Consolidated Statement of Financial Position as at March 31, 2022 and the Consolidated Statements of Operations, Change 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.

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

Basis of Opinion

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

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

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

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

Those charged with governance are responsible for overseeing the Consolidated Entity'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 Consolidated Entity'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 audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Consolidated Entity'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 Consolidated Entity 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 Consolidated Entity 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 the audit.

BDO Canada LLP

Chartered Professional Accountants
Vancouver, British Columbia
January 12, 2023

Huu-ay-aht Government Consolidated Statement of Financial Position

As at March 31	2022	2021
Financial Assets		
Cash and cash equivalents (Note 3)	\$ 20,958,786	\$ 9,941,558
Accounts receivable (Note 4)	8,288,568	9,249,305
Portfolio Investments (Note 5)	49,734,654	35,026,347
Investment in government businesses (Note 6)	20,425,217	20,853,426
	99,407,225	75,070,636
Liabilities		
Accounts payable and accrued liabilities (Note 8)	3,282,980	2,317,243
Deferred revenue (Note 10)	12,492,035	4,797,933
Long term debt (Note 11)	13,753,391	3,369,939
Other liabilities (Notes 3 and 12)	2,249,457	1,536,275
	31,777,863	12,021,390
Net Financial Assets	67,629,362	63,049,246
Non-financial Assets		
Tangible capital assets (Note 7)	38,921,836	29,379,104
Prepaid expense	288,790	734,042
Crab fishing license	1,035,275	1,035,275
	40,245,901	31,148,421
Accumulated Surplus (Note 13)	\$ 107,875,263	\$ 94,197,667

Approved on behalf of the Executive Council:



Chief Councillor

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Councillor

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Huu-ay-aht Government Consolidated Statement of Change in Net Financial Assets

March 31	Budget	2022	2021
	(Note 14)		
Annual Surplus	\$ (6,788,878)	\$ 13,677,596	\$ 12,614,996
Purchases of tangible capital assets	(14,944,000)	(11,047,606)	(5,147,382)
Amortization of tangible capital assets	1,125,763	1,195,846	989,343
Gain on sale of tangible capital assets	-	(379,250)	(6,394)
Proceeds on sale of tangible capital assets	-	688,278	31,200
Change in prepaids	-	445,252	(336,039)
Increase (decrease) in net financial assets	(20,607,115)	4,580,116	8,145,724
Net financial assets, beginning of year	63,049,246	63,049,246	54,903,522
Net financial assets, end of year	\$ 42,442,131	\$ 67,629,362	\$ 63,049,246

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements.

Huu-ay-aht Government Consolidated Statement of Operations

March 31	Budget	2022	2021
	(Note 14)		
Revenue			
Taxation	\$ 32,200	\$ 25,003	\$ 6,223
Government transfers (Note 16)	11,563,843	21,081,223	17,081,600
Fees, charges, and other	297,000	2,233,144	750,534
Investment income (Note 5)	545,000	4,148,157	1,359,925
Stumpage income	2,423,213	2,348,598	4,314,161
Earnings (loss) from investment in government businesses (Note 6)	428,000	(428,209)	384,145
Grants and contributions (Note 17)	1,574,000	5,385,180	5,248,600
Sale of assets	-	379,250	6,394
	<u>16,863,256</u>	<u>35,172,346</u>	<u>29,151,582</u>
Expenses			
General government	2,152,534	2,197,567	2,108,788
Community services	5,749,000	5,708,599	5,474,207
Economic development	401,752	1,659,733	814,725
Finance	3,185,686	5,132,947	3,787,035
Implementation	521,150	487,557	582,579
Infrastructure	9,088,130	4,153,473	2,483,566
Land and natural resources	2,553,882	2,154,874	1,285,686
	<u>23,652,134</u>	<u>21,494,750</u>	<u>16,536,586</u>
Annual surplus (deficit)	(6,788,878)	13,677,596	12,614,996
Accumulated surplus, beginning of year	94,197,667	94,197,667	81,582,671
Accumulated surplus, end of year	<u>\$ 87,408,789</u>	<u>\$ 107,875,263</u>	<u>\$ 94,197,667</u>

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements.

Huu-ay-aht Government Consolidated Statement of Cash Flows

For the year ended March 31	2022	2021
Operating transactions		
Annual Surplus	\$ 13,677,596	\$ 12,614,996
Non-cash items		
Amortization	1,195,846	989,343
Gain on sale of tangible capital assets	(379,250)	(6,394)
Amortization of financing fees	30,000	-
Loss (earnings) from investment in government businesses	428,209	(384,145)
Changes in working capital accounts		
Accounts receivable	960,737	(2,573,308)
Accounts payable and accruals	965,737	369,347
Deferred revenue	7,694,102	4,082,381
Prepaid expenses	445,252	(336,039)
Other liabilities	713,182	(65,747)
Restricted cash	-	-
Cash flows from operating transactions	25,731,411	14,690,434
Capital transactions		
Purchase of tangible capital assets	(11,047,606)	(5,147,382)
Proceeds on sale of tangible capital assets	688,636	31,200
Cash flows from capital transactions	(10,358,970)	(5,116,182)
Investing transactions		
Purchase of Guaranteed Investment Certificates	(338,363)	-
Investment in Huu-ay-aht Settlement Trust	(84,600)	(52,427)
Redemption of (investment in) Invested Wealth Fund	8,114,657	(731,435)
Investment in Huumiis Ventures LP - Tsawak-qin Forestry	(19,800,000)	(177,950)
Draw from government businesses	-	700,000
Cash flows from investing transactions	(12,108,306)	(261,812)
Financing transactions		
Cash proceeds from debt financing	10,800,000	-
Repayment of long term debt	(2,846,907)	(2,299,612)
Finance fees	(200,000)	-
Decrease in bank indebtedness	-	(980,000)
Cash flows from financing transactions	7,753,093	(3,279,612)
Net increase in cash and cash equivalents	11,017,228	6,032,828
Cash and cash equivalents, beginning of year	9,941,558	3,908,730
Cash and cash equivalents, end of year	\$ 20,958,786	\$ 9,941,558
Non-cash transaction excluded from investing and financing transactions:		
Vendor financing of Tsawak-qin Forestry LP (Notes 5 and 11)	\$ 2,600,000	\$ -

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements.

Huu-ay-aht Government

Notes to the Consolidated Financial Statements

March 31, 2022

1. The Huu-ay-aht Government

The Huu-ay-aht Government (the "Government") operates under the authority of the Constitution Act of the Huu-ay-aht First Nations and under the Maa-nulth Final Agreement. The Huu-ay-aht First Nations Government was recognized April 1, 2011 as a constitutionally-protected self-government under the Maa-nulth Final Agreement agreed to by the Government of Canada (Canada) and the Government of British Columbia ("BC").

The Huu-ay-aht Government has the right to assume and exercise all law-making authority set out in the Maa-nulth Final Agreement and any law-making authority set out in non-Treaty agreements with the Province of British Columbia and Canada. The Maa-nulth Final Agreement was among the first Final Agreements reached in the Province of British Columbia, which sets out the Government's rights and benefits respecting land and resources, and self-government over its lands and resources and its citizens.

The Huu-ay-aht Government's structure consists of a Legislature, an Executive Council, a Ha'wiih Council and People's Assembly. The Government's Executive Council has the authority to make laws pertaining to: citizenship; Government structures, and public institutions; land, and land management; resources on Government land; and social services that include, but not limited to, children, education (public primary and post-secondary), public health, public utilities (water and sewer), public works, public infrastructure, and taxation.

The Huu-ay-aht have existed from time immemorial, owned and occupied the lands and waters within the traditional territory, governed the lands and waters, abided by laws and shared language and culture. Since 2011, the Government's jurisdiction includes Huu-ay-aht Treaty Settlement Lands (TSL), in accordance with the Maa-nulth Treaty, and other properties owned and operated outside the TSL in other jurisdictions. In the Province of British Columbia, jurisdiction 408 of area 4 on Vancouver Island is under the authority of the Huu-ay-aht Government.

2. Summary of Significant Accounting Policies

(a) Basis of accounting

These consolidated financial statements have been prepared by management in accordance with Canadian Public Sector Accounting Standards (PSAS) developed by the Public Sector Accounting Board. They are prepared to comply with the Government's legislation, Constitution and the Financial Administration Act (FAA), which require the Government to report financial statements under standards comparable to those generally accepted for governments in Canada.

These consolidated financial statements include the accounts of the Government and organizations controlled by the Government. The Government reporting entity includes the Government's operating departments: General Government (including Human Resources), Community Services, Economic Development, Finance, Implementation, Infrastructure, and Lands and Natural Resources (Note 22). The Government also consolidates related entities which are accountable to and are either owned or controlled by the Government. The trust funds created by the Government's legislation and/or under the Government's control are incorporated directly into the Government's accounts.

Huu-ay-aht Government

Notes to the Consolidated Financial Statements

March 31, 2022

2. Summary of Significant Accounting Policies (continued)

(b) Principles of consolidation

All controlled entities are fully consolidated on a line-by-line basis except for the commercial enterprises which meet the definition of a Government Business Enterprise and Business Partnerships. Inter-entity balances and transactions are eliminated under this method, and the Government reports the controlled entities as if they were one organization. The organizations included through the consolidation method are:

- Huu-ay-aht Government
- Huumiis Ventures Corporation
- Huumiis Ventures Limited Partnership, which holds the Government's interest in the investment in Tsawak-qin Forestry Limited Partnership (formerly TFL 44 Limited Partnership)

(c) Investment in Government Business Enterprises and Partnerships

Investments subject to control or shared control and which meet the definition of a Government Business Enterprises ("GBEs") or Business Partnerships ("BPs") have been accounted for on the modified equity basis. The investment balance represents investment in, and accumulated earnings to the companies net of distributions and dividends paid to the Government.

These entities are included in the consolidated financial statements on a modified equity basis (Note 6). No adjustment is made to conform the accounting policies of these entities, which are prepared in accordance with International Financial Reporting Standards (IFRS), to those of the Government. These entities are reviewed annually to determine whether they can be expected to meet the definition of a GBE or BP in the normal course of operations.

The following are the wholly-owned GBEs accounted for by the Modified Equity Method:

- Huu-ay-aht First Nations Development Corporation ("HFN Development Corp")
- Huu-ay-aht First Nations Development Limited Partnership ("HFN Development LP"), which consolidates:
 - Huu-ay-aht First Nations Fisheries Limited Partnership
 - Huu-ay-aht First Nations Forestry Limited Partnership
 - Huu-ay-aht First Nations Gravel Limited Partnership
 - Huu-ay-aht First Nations Hospitality Limited Partnership
 - Huu-ay-aht First Nations Lands Limited Partnership
 - Huu-ay-aht First Nations LNG Development Limited Partnership
 - Huu-ay-aht First Nations Management Limited Partnership
 - Huu-ay-aht First Nations Market Limited Partnership
- Huu-ay-aht First Nations Forestry Consulting Services Corporation ("HFN Forestry Consulting Services Corp")
- Huu-ay-aht First Nations Forestry Consulting Services Limited Partnership ("HFN Forestry Consulting Services LP")

Huu-ay-aht Government

Notes to the Consolidated Financial Statements

March 31, 2022

2. Summary of Significant Accounting Policies (continued)

Previously, the following investments were BPs accounted for by the Modified Equity Method:

- Nuuchahnulth Seafood Limited Partnership (Nuuchahnulth Seafood LP)
- Nuuchahnulth Seafood Development Corporation (Nuuchahnulth Seafood Development Corp)

On June 30, 2021, the Government transferred their class B partnership units of Nuuchahnulth Seafood Limited Partnership to NCN Holdings Limited Partnership, which is 20% owned by HFN Development LP and recorded as an investment within Huu-ay-aht First Nations Fisheries Limited Partnership.

(d) Revenue Recognition

Investment income, sale of services and other revenue are recognized on the accrual basis of accounting, and are recognized when any service has been provided, the amount can be reasonably estimated, and collection is reasonably assured.

(e) Government Transfers

Government transfers, which include grants and contributions, are recognized in the consolidated financial statements in the period in which events giving rise to the transfer occur, providing the transfers are authorized, any eligibility criteria have been met, and reasonable estimates of the amount can be made.

If transfer stipulations give rise to an obligation that meets the definition of a liability, the resulting liability is deferred in the consolidated financial statements and recognized in the statement of operations as the stipulation liabilities are settled.

(f) Taxation Revenue

Taxation revenue is recognized in the year the taxes are levied because the tax revenues result from non-exchange transactions that are compulsorily paid to governments in accordance with the laws and regulations established to provide revenue to the Government for the provision of public services. Levies imposed by other taxing authorities are not included as taxation revenue.

In accordance with the Maa-nulth Final Agreement, and related agreements and legislation, the Government has the authority to levy taxes within its treaty settlement lands related to income, sales of goods, and real property. The Government's taxation authority does not limit the taxation authority of the Province of British Columbia and Canada.

Commencing in 2024, under a non-treaty agreement with the Province of British Columbia, the Huu-ay-aht Government will collect all property taxes applicable to citizens and non-member residents on the Government's land including that which may have formerly been part of a municipality. Property taxes levied will be based on market assessments of land value that are subject to appeal. Through the British Columbia Assessments appeal process, taxes may be adjusted by way of supplementary roll adjustments. Estimates are made of potential adjustments to taxes. Any additional adjustments required over that estimate are recognized at the time they are awarded.

Huu-ay-aht Government

Notes to the Consolidated Financial Statements

March 31, 2022

2. Summary of Significant Accounting Policies (continued)

(g) Deferred Revenue

Funds received for specific purposes that are externally restricted by legislation, regulation or agreement that meet the definition of a liability, and fees collected pertaining to services required in a future period are accounted for as deferred revenue. These amounts will be recognized as revenue in the period when the conditions giving rise to the liability have been settled.

(h) Portfolio Investments

Portfolio investments are managed in accordance with the Investment Management Policy Regulation and are reported on the Statement of Financial Position at cost, which include acquisition costs, plus accrued interest. Portfolio investments are written down to net realizable value when there has been, in management's opinion, a permanent decline in value.

Portfolio investments include internally and externally managed investments. Externally managed investments, which are held in the Invested Wealth Fund and Huu-ay-aht Settlement Trust, include positions in cash, bonds and preferred shares, Canadian equities, U.S. equities, International equities, and private equities. Government managed investments comprise the Government's 35% (2021 - 7%) holdings of Tsawak-qin Forestry LP, through its subsidiary Huumiis Ventures Limited Partnership.

(i) Non-financial Assets

Non-financial assets are held for use in the provision of goods and services but are not available to discharge existing liabilities. These assets may have a useful life extending beyond the current year and are not intended for sale in the ordinary course of operations.

(j) Tangible Capital Assets

The Government's tangible capital assets are recorded at cost, which includes amounts that are directly attributable to the acquisition, construction, development or betterment of the assets. The cost, less residual value, of the tangible capital assets (excluding land), is amortized on a straight-line basis over the estimated useful life as follows:

Land		N/A
Buildings	10 - 50 years straight-line	
Machinery and equipment	5 - 20 years straight-line	
Vehicles	3 - 10 years straight-line	
Public infrastructure	10 - 100 years straight-line	
Utilities	10 - 100 years straight-line	
Work in progress		N/A

Assets under construction are not amortized until the asset is substantially complete and placed into service.

Contributed tangible capital assets are recognized at fair value at the date of contribution and are also recognized as revenue. Where an estimate of fair market value cannot be made, the tangible capital asset is recognized at nominal value.

Huu-ay-aht Government

Notes to the Consolidated Financial Statements

March 31, 2022

2. Summary of Significant Accounting Policies (continued)

(k) Purchased Intangibles

The Government holds a crab fishing licence which provides the Government the right to annually renew a related commercial fishing licence. The licence was purchased from an unrelated third party and is recorded at cost. The license has an indefinite life and is not amortized.

(l) Impairment of Long-lived Assets

Tangible capital assets and purchased intangibles are written down when conditions indicate that they no longer contribute to the Government's ability to provide goods and services, or when the value of future economic benefits associated with the tangible capital assets or purchased intangibles are less than their net book value. The net write-downs are accounted for as expenses in the Consolidated Statement of Operations.

(m) Use of Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. The significant areas requiring management estimates include the useful lives of tangible capital assets, valuation of contributed assets, impairment of investments, government business enterprises and partnerships, and estimating provisions for accrued liabilities. Actual results will depend on future economic events and could differ from those estimates.

(n) Budget

The budget information reflects amounts set out in the annual Budget Act, as approved by the Huu-ay-aht Legislature, with reallocations and reclassifications to conform with the presentation of the consolidated financial statements.

3. Cash and Cash Equivalents

	2022	2021
General	\$ 20,625,482	\$ 9,479,313
Other	333,304	462,245
	\$ 20,958,786	\$ 9,941,558

The Government's general cash is held for general operations and delivery of government services. The cash is held at a Canadian chartered bank and earns interest at the current prevailing rates. Included in the cash balance is the Minors Trust balance of \$2,249,457 (2021 - \$1,536,275) that is dedicated by the Government under tribunal order to minor citizens (under the age of 19 years old as at the reporting date). The Minors Trust Liability is reported as an other liability (Note 12).

Huu-ay-aht Government Notes to the Consolidated Financial Statements

March 31, 2022

3. Cash and Cash Equivalents (continued)

Other cash is primarily used for employment and training related purpose with other corporate partners in the forestry sector. The cash is held at a Canadian chartered bank and earns interest at current prevailing rates. The Government's Community Services Department manages the delivery of these services.

4. Accounts Receivable

	2022	2021
Federal Government - grants receivable	\$ 3,638,963	\$ 3,328,863
Federal Government - loan reimbursement	2,949,611	3,932,813
Province of British Columbia - Bamfield road (Note 19)	-	864,772
Related party receivables (Note 15)	295,077	144,947
PST and GST receivable	312,947	409,732
Other	1,091,970	568,178
	\$ 8,288,568	\$ 9,249,305

During the 2020 fiscal year, the Government received notice from the Federal Government of Canada that loan principal payments of \$5,443,563 made in prior years by the Government related to treaty negotiations were forgiven. The Federal Government of Canada has committed to reimburse the Government in annual installments in the 2020 to 2025 fiscal years.

5. Portfolio Investments

	2022	2021
Guaranteed Investment Certificates	\$ 338,363	\$ -
Investment in Tsawak-qin Forestry LP	30,546,019	8,146,018
Invested Wealth Fund	13,000,374	21,115,031
Settlement Trust		
RBC Cash	4,645,344	4,632,219
TD Wealth Investments	1,204,554	1,133,079
	5,849,898	5,765,298
	\$ 49,734,654	\$ 35,026,347

Guaranteed Investment Certificates

The Guaranteed Investment Certificates (GICs) are held under an agreement with the Province of British Columbia, and are held as security for the forestry permit issued by the Province and its Sarita run-of-river Hydro project. The funds bear interest ranging 0.50% - 2.05% per annum and are set to automatically renew each year upon maturity for an additional year.

Huu-ay-aht Government

Notes to the Consolidated Financial Statements

March 31, 2022

5. Portfolio Investments (continued)

Tsawak-qin Forestry LP Investment

Phase 1 Transaction

On December 12, 2018, the Government entered into an agreement with Western Forest Products Inc. (WFP) to acquire a 7% interest in Tsawak-qin Forestry LP and GP (collectively "Tsawak-qin Forestry LP"). Tsawak-qin Forestry LP owns Tree Farm License 44 on Vancouver Island. On March 29, 2019 Huumiis Ventures Limited Partnership ("Huumiis"), a wholly owned special investment body owned by the Government, completed the Phase 1 transaction. The Government's investment of \$7,968,068 was accounted for at cost. The Government holds the associated debt to acquire the investment (Note 11).

Phase 2 Transaction

On March 16, 2020, the Government announced the intent to purchase a majority stake and controlling interest in Tsawak-qin Forestry LP. On April 22, 2021, WFP and Huumiis entered into an agreement whereby Huumiis will acquire an additional 44% ownership interest in Tsawak-qin Forestry LP for total consideration of \$35.2 million in two separate transactions (Phases 2 and 3).

On May 3, 2021, the Phase 2 transaction completed, with Huumiis acquiring an additional 28% interest in Tsawak-qin Forestry LP for total consideration of \$22.4 million. Huumiis partially financed the transaction with a \$10.8 million term loan and \$2.6 million in vendor financing, with the remaining consideration being paid by the Government directly to WFP. Acquisition costs of \$177,950 associated with the Phase 2 transaction were capitalized to the investment in the 2021 fiscal year.

Phase 3 Transaction

The Phase 3 transaction would result in the Huumiis acquiring an additional 16% interest in Tsawak-qin Forestry LP for total consideration of \$12.8 million. Completion of the Phase 3 transaction is subject to the approvals required under HFN Laws and the passage of an unqualified motion by HFN citizens at a duly called People's Assembly to support the Phase 3 transaction.

During the year, Tsawak-qin Forestry LP declared distributions of \$2,185,394 (December 31, 2020 - \$322,365) which has been recognized as investment income in the Consolidated Statement of Operations.

Invested Wealth Fund

The Huu-ay-aht Government has transferred funds into an Invested Wealth Fund (IWF), in accordance with its legislation and the FAA. The intent of this fund is to provide the Government perpetual investment income to help fund the increased administrative activities required to operate a Government with essential public services.

Huu-ay-aht Government Notes to the Consolidated Financial Statements

March 31, 2022

5. Portfolio Investments (continued)

Invested Wealth Fund (continued)

The IWF had a market value of \$14,357,394 (2021 - \$23,302,400) and were held in the following investment categories:

	<u>2022</u>	<u>2021</u>
Cash and Cash Equivalents	2%	2%
Fixed Income	32%	27%
Equities	66%	61%

Settlement Trust

The Huu-ay-aht Government has transferred funds to the Huu-ay-aht Settlement Trust (HST), in accordance with the legislation and the FAA. The purpose of this Trust is to hold and protect capital transfers and resource revenues intended for its beneficiaries: the Huu-ay-aht Government, other Government trusts, any registered charity or not-for-profit organizations that are qualified donees that in the opinion of the Trustees directly or indirectly benefits one or more Huu-ay-aht citizens, or a combination of the above mentioned entities and persons. The market value of the TD Wealth investments is \$1,325,495 - (2021 - \$1,240,706). The HST funds were held in the following investment categories:

	<u>2022</u>	<u>2021</u>
Cash and Cash Equivalents	80%	82%
Fixed Income	10%	9%
Equities	10%	9%

Huu-ay-aht Government Notes to the Consolidated Financial Statements

March 31, 2022

6. Investments in Government Businesses

The Government's investments in government business enterprises ("GBEs") and business partnerships ("BPs"), which represents equity/profit from the GBEs and BPs, are noted in the following table. The GBEs and BPs have a December 2021 year-end; therefore the Government's equity income for its March 31, 2022 fiscal year-end is based on twelve months of gains from the GBEs and BPs for their year ended December 31, 2021.

	2021	Share of earnings (loss)	Capital contributions	Capital draws	2022
Government Business Enterprises					
HFN Development LP	\$ 19,745,250	\$ (303,623)	\$ 627,340	\$ -	\$ 20,068,967
HFN Development Corp	(49,444)	33,261	-	-	(16,183)
HFN Forestry Consulting Services Corp & LP	530,280	(157,847)	-	-	372,433
Business Partnerships					
Nuu-chah-nulth Seafood LP and Nuu-chah-nulth Seafood Development Corp	627,340	-	-	(627,340)	-
	\$ 20,853,426	\$ (428,209)	\$ 627,340	\$ (627,340)	\$ 20,425,217

The following summarizes the assets, liabilities and financial results of the GBEs and BPs as at and for the year ended December 31st:

	Assets	Liabilities	Net Assets	Revenue	Expense	2022 Net Income (loss)	2021 Net Income (loss)
Government Business Enterprises							
HFN Development LP	20,105,599	36,632	20,068,967	(153,906)	149,717	\$ (303,623)	\$ 138,594
HFN Development Corp	-	16,183	(16,183)	-	(33,261)	\$ 33,261	\$ (1,375)
HFN Forestry Consulting Services Corp & LP	697,245	324,812	372,433	477,537	635,384	\$ (157,847)	\$ 342,780
Business Partnerships							
Nuu-chah-nulth Seafood LP and Nuu-chah-nulth Seafood Development Corp	-	-	-	-	-	\$ -	\$ 280,730

Huu-ay-aht Government
Notes to the Consolidated Financial Statements

March 31, 2022

7. Tangible Capital Assets

	Land	Building	Machinery and equipment	Vehicles	Public infrastructure	Utilities	Work in progress	2022 Total	2021 Total
Cost, beginning of year	\$ 10,764,882	\$ 12,734,508	\$ 1,287,760	\$ 671,059	\$ 1,814,357	\$ 4,377,415	\$ 9,487,670	\$ 41,137,651	\$ 36,138,567
Additions		9,515,829	2,228	207,189	-	-	1,322,360	11,047,606	5,147,382
Disposals	-	(359,338)	-	-	-	-	-	(359,338)	(148,298)
Cost, end of year	10,764,882	21,890,999	1,289,988	878,248	1,814,357	4,377,415	10,810,030	51,825,919	41,137,651
Accumulated amortization, beginning of year	-	6,843,538	1,096,504	379,163	979,106	2,460,236	-	11,758,547	10,892,696
Amortization	-	702,225	57,063	86,342	136,823	213,393	-	1,195,846	989,343
Disposals	-	(50,310)	-	-	-	-	-	(50,310)	(123,492)
Accumulated amortization, end of year	-	7,495,453	1,153,567	465,505	1,115,929	2,673,629	-	12,904,083	11,758,547
Net carrying amount, end of year	\$ 10,764,882	\$ 14,395,546	\$ 136,421	\$ 412,743	\$ 698,428	\$ 1,703,786	\$ 10,810,030	\$ 38,921,836	\$ 29,379,104
Net carrying amount, prior year	\$ 10,764,882	\$ 5,890,970	\$ 191,256	\$ 291,896	\$ 835,251	\$ 1,917,179	\$ 9,487,670	\$ 29,379,104	\$ 25,245,871

Huu-ay-aht Government Notes to the Consolidated Financial Statements

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8. Accounts Payable and Accrued Liabilities

	2022	2021
Trade payable and accrued liabilities	\$ 2,175,273	\$ 1,599,912
Accrued wages and benefits	373,426	370,578
Related party payables (Note 15)	734,281	346,753
	\$ 3,282,980	\$ 2,317,243

9. Bank Indebtedness

The Government holds an operating line of credit up to \$1,000,000 bearing interest at the bank's prime lending rate. At March 31, 2022, \$nil was drawn on the operating line of credit (2021 - \$nil).

10. Deferred Revenue

	2022	2021
Deferred revenue	\$ 12,486,710	\$ 4,796,841
Damage deposits - rental properties	5,325	1,092
	\$ 12,492,035	\$ 4,797,933

The deferred revenue is comprised of grants and contribution funds the Government has received from other levels of government and external sources. These funds will be used for the following projects in subsequent years.

	Balance March 31, 2021	Additions	Revenue recognized	Balance March 31, 2022
Bamfield Road	\$ -	\$ 10,866,662	\$ -	\$ 10,866,662
Salish Sea Initiative	-	627,633	-	627,633
Sarita Hydro Project Funding	356,042	-	-	356,042
Childcare Space Funding	-	305,570	-	305,570
CMHC Rapid Housing Initiative	3,474,888	-	3,474,888	-
Campground Expansion	510,340	-	510,340	-
FNHA Mental Health Warriors	96,799	-	96,799	-
Other	359,864	242,004	265,740	336,128
	\$ 4,797,933	\$ 12,041,869	\$ 4,347,767	\$ 12,492,035

Deferred revenue will be recognized as revenue in the Statement of Operations in the period in which the related expenses are incurred and/or services performed and stipulation criteria have been met.

Huu-ay-aht Government Notes to the Consolidated Financial Statements

March 31, 2022

11. Long Term Debt

	2022	2021
Term loan - Tsawak-qin Forestry Phase 2	\$ 10,090,000	\$ -
Vendor-take-back financing - Tsawak-qin Forestry Phase 2	2,600,000	-
RBC Term Loan - Land purchase	455,533	655,222
BMO Term Loan - NEDC - Crab license	371,365	412,722
RBC Term Loan - PAGO	236,493	264,866
Term Loan - Tsawak-qin Forestry Phase 1	-	2,037,129
	\$ 13,753,391	\$ 3,369,939

The estimated principal repayments on the above long term debt required over the next five years are as follows:

2023	\$ 974,200
2024	3,581,800
2025	822,200
2026	775,900
2027	7,599,291
	\$ 13,753,391

The Royal Bank of Canada loans have terms and conditions as follows:

- The Term Loan Land Purchase is repayable in monthly installments of \$17,795 including interest at the RBC prime rate, maturing July 2022. Subsequent to year end, the loan was extended with the same terms, maturing July 2023.
- The PAGO loan is repayable in monthly installments of \$2,364 plus interest at the RBC prime rate plus 1.00%, maturing August 2022. Subsequent to year end, the loan was extended with the same terms, maturing August 2023.

The RBC term loans are secured by a general security agreement under which all assets of the Government are pledged as collateral, in addition to a first charge on all inventory, mortgages on real property, assignment of stumpage proceeds, and guarantee and postponement of claim by several of the Government's controlled entities.

The Nuu-Chah-Nulth Economic Development Corporation (NEDC) Crab License loan is held at Bank of Montreal and is repayable in annual installments of \$37,400 including interest of Bank of Montreal prime rate plus 1.00% per annum, maturing October 2037. The NEDC loan is secured by a first position over the commercial crab license.

On May 3, 2021, the Government completed the Phase 2 transaction of Tsawak-qin Forestry LP which was partially financed by a \$10.8 million term loan and a \$2.6 million vendor-take-back financing agreement.

Huu-ay-aht Government Notes to the Consolidated Financial Statements

March 31, 2022

11. Long Term Debt (continued)

Term Loan - Tsawak-qin Forestry Phase 2

The term loan was advanced 75% by Export Development Canada and 25% by RBC (the "lenders") and is repayable in quarterly installments of \$180,000 plus interest accruing at 3.20% for two years following the April 2021 advance and at the RBC prime rate plus 1.50% for three additional years, until the April 2026 maturity date, or such lesser interest rate as the lenders agree upon for the three additional years at their sole discretion. The maturity date may be moved up at the discretion of the lenders if certain coverage ratios are breached by Huumiis.

The term loan is secured by:

- General security agreement under which all assets of Huumiis are pledged as collateral, in addition to a first charge on all Tsawak-qin Forestry LP and Tsawak-qin Forestry GP equity interests and assignment of all distributions from Tsawak-qin Forestry.
- Debt service agreement signed by the Government whereby the Government agrees to cover any debt service shortfalls of Huumiis as well as a postponement and subordination of claims signed by the Government.
- Postponement and subordination of certain other financing of Tsawak-qin Forestry LP signed by Western Forest Products (WFP) and other consents and acknowledgements by WFP.
- Agreement by the Government on other matters including certain restrictions on distributions by Huumiis Ventures Limited Partnership, to be accepted, acknowledged and authorized by the Government pursuant to an Executive Council Resolution.

Vendor-take-back Financing - Tsawak-qin Forestry Phase 2

The vendor-take-back financing accrues interest at 3.20%, with interest payable annually on the last day of each year. The vendor financing matures at the earlier of March 31, 2023 and the closing of the Phase 3 transaction with WFP. The vendor financing is secured by a general security agreement and pledge general security and pledge agreement over all of Huumiis' present and after-acquired personal property, including the limited partner units and other interests owned by Huumiis in Tsawak-qin Forestry LP.

Huu-ay-aht Government Notes to the Consolidated Financial Statements

March 31, 2022

12. Other Liabilities

	2022	2021
Minor's Trust Liability	\$ 2,249,457	\$ 1,536,275

Under the Tribunal order, the Government has allocated \$2,249,457 - (2021 - \$1,536,275) for all Huu-ay-aht First Nation Citizens who are minors to receive accumulated dividends upon becoming legal age (19 years old). The funds are currently held in a Canadian chartered bank (Note 3). The Minors Trust was allocated interest of \$10,288 - (2021 - \$17,746) which has been added to the liability. The Minors Trust liability has not been established as a legal trust.

13. Accumulated Surplus

	2022	2021
Operating surplus	\$ 12,000,452	\$ 10,576,469
Investment in Enterprises Fund	37,842,029	26,925,257
Investment in Wealth Fund (Note 5)	13,000,374	21,115,031
Investment in Settlement Fund (Note 5)	5,849,898	5,765,298
Investment in Non-financial Assets	39,182,510	29,815,612
	\$ 107,875,263	\$ 94,197,667

The Investment in Enterprises Fund is calculated as follows:

	2022	2021
Investment in government businesses (Note 6)	20,425,217	20,853,426
Investment in Tsawak-qin Forestry LP (Note 5)	30,546,019	8,146,018
Amounts financed by long term debt and accounts payable	(13,129,207)	(2,074,187)
	37,842,029	26,925,257

The Investment in Non-financial Assets is calculated as follows:

	2022	2021
Non-financial assets	40,245,901	31,148,421
Amounts financed by long term debt	(1,063,391)	(1,332,809)
	39,182,510	29,815,612

14. Budget

The Government's budget is publicly available at www.huuayaht.org, which was passed by legislation on March 30, 2021 (Budget Act 2021 HFNA 1/2021). Budget information reflects amounts set out in the annual Budget Act, as adjusted to match the required presentation in the Consolidated Statements of Operations and Change in Net Financial Assets in accordance with PSAS. This adjustment is necessary because certain budgeted expenditures are not considered expenses for PSAS purposes.

Huu-ay-aht Government Notes to Financial Statements

March 31, 2022

14. Budget (continued)

The following shows how these two bases are reconciled:

	2022
Budgeted deficit	\$ (6,788,878)
Capital projects	14,944,000
Debt proceeds	(5,000,000)
Other non-PSAS expenditures and transfers	(9,944,000)
Budgeted deficit on PSAS basis	(6,788,878)
Acquisition of tangible capital assets	(14,944,000)
Amortization	1,125,763
Budgeted decrease in net assets	\$ (20,607,115)

15. Related Party Balances

	2022	2021
<i>Due from</i>		
Huu-ay-aht First Nations Forestry Limited Partnership	\$ 295,077	\$ 144,947
<i>Due to</i>		
HFN Forestry Consulting Services LP	\$ 4,050	\$ 164,748
Huu-ay-aht First Nations Hospitality Limited Partnership	5,128	181,140
Huu-ay-aht First Nations Forestry Limited Partnership	4,268	-
Huu-ay-aht First Nations Gravel Limited Partnership	702,371	-
Huu-ay-aht First Nations Market Limited Partnership	18,464	865
	\$ 734,281	\$ 346,753

Receivables from Huu-ay-aht First Nations Forestry Limited Partnership relate to stumpage revenues earned as part of Standing Timber Purchase Agreements. Other related party receivables arise from time to time during the course of annual operations. These amounts are processed through accounts receivable (Note 4). Related party payables arise from time to time during the course of annual operations and are processed through accounts payable (Note 8).

Huu-ay-aht Government Notes to the Consolidated Financial Statements

March 31, 2022

16. Government Transfers

	Budget	2022	2021
	(Note 14)		
Federal			
FFA Block Funding	\$ 7,123,917	\$ 8,780,110	\$ 8,626,074
FFA Time Limited Funding	387,621	1,249,132	2,973,574
Resource Revenue Funding	110,000	158,071	143,005
Specific Claim	2,800,000	6,300,000	-
Post Secondary Student Support	-	51,846	43,662
Fisheries Funding	88,602	310,692	86,973
Treaty Capital	-	-	2,603,455
Provincial			
Resource Revenue Funding	110,000	160,311	143,005
Provincial Daycare	20,000	94,618	30,442
Provincial Annual Funding	370,399	1,400,688	842,248
PST Revenue Sharing	33,403	32,536	33,945
Bamfield Road	-	1,968,487	864,772
Other			
NTC Funding	39,000	35,955	39,000
Child Welfare	61,998	61,999	61,998
Drinking Water Safety Program	18,904	19,282	19,282
BC FN Gaming Revenue	200,000	248,331	441,453
NTC - Patient Travel	199,999	209,165	128,712
	\$ 11,563,843	\$ 21,081,223	\$ 17,081,600

Huu-ay-aht Government Notes to the Consolidated Financial Statements

March 31, 2022

17. Grants and Contributions

	Budget	2022	2021
	(Note 14)		
Child and Family Prevention - Canada	\$ 839,800	\$ 869,795	\$ 1,773,500
Sarita Hydro Project	-	235,416	261,175
Anacla Subdivision	-	-	1,310,000
Park Trail	200,000	-	-
Community Services Directors Office	96,000	97,427	1,237,541
Watershed Restoration	-	125,000	125,000
Robert's Bank Terminal	-	-	100,000
Warrior Program	153,600	414,599	78,001
Project Management	96,000	55,355	55,026
CMHC Rapid Housing	-	3,474,888	147,250
Secondary & Post Secondary Education	-	-	3,243
Other grants and contributions	188,600	112,700	157,864
	\$ 1,574,000	\$ 5,385,180	\$ 5,248,600

18. Contractual Rights

At the end of the reporting period, the Government had the following agreements:

- A funding agreement through Nuu-chah-nulth Tribe Council (NTC) with the Federal and Provincial government for delivery of services and programs to NTC communities of \$839,800 annually until April 30, 2022.
- HFN Forestry Consulting Services LP had an agreement with Tsawak-qin Forestry to provide consulting services in exchange for an annual fee of \$475,000 (2021 - \$525,000) for an indefinite term.

19. Bamfield Main Road

The Government has committed to upgrading a 76km stretch of the Bamfield Main road between the communities of Anacla and Bamfield, and Port Alberni. The project has an approved capital budget of \$30.7 million, of which the Province of British Columbia has committed to a maximum funding of \$25.7 million. Subsequent to year end, the Government identified that the project had experienced unanticipated cost overruns and has forecasted total cost overruns of approximately \$12 million should the scope and timing of the project proceed as originally planned. The Government is committed to completion of the project and is reviewing options available to the Government, such as identifying additional funding sources, to mitigate its financial exposure. Anticipated completion of the project is the fall of 2023.

Huu-ay-aht Government Notes to the Consolidated Financial Statements

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19. Bamfield Main Road (continued)

While the Bamfield Main road provides a vital link for citizens of the Government living in the Huu-ay-aht village of Anacla, the Government does not retain ownership or control over the road. As a result, these improvements and the associated funding are recognized in the statement of operations as they are incurred. During the year, a total of \$1,968,487 in revenue (2021 - \$864,772) and \$2,586,511 in expenses (2021 - \$988,987) were recognized related to this project.

20. Oomiiqsu Lease

Subsequent to year end, the Government entered into an agreement to enter into a lease with Provincial Rental Housing Corporation ("PRHC"), a wholly owned and controlled corporation of the Province of British Columbia. Under the agreement PRHC will develop a multi-purpose building and facilities containing Huu-ay-aht First Nations Child and Family Wellness Department office space, an Indigenous mother's centre that includes offices, transitional residential housing and second stage housing, and a Huu-ay-aht childcare facility (the "Building"), located in Port Alberni. The Building and related lands will be owned by PRHC, which upon completion, will be leased to the Government for 60 years at a basic rent of \$3,108,000 to be paid on the lease commencement date. The Building development is expected to complete in the summer of 2024.

21. COVID-19

The COVID-19 pandemic has disrupted economic activities in Canada, including the operations of the Corporation and its subsidiaries. This led to increased safety protocols and an increase in costs.

The impact of COVID-19 as well as heightened levels of inflationary pressures and impacts from the war in Ukraine on financial markets has caused significant volatility and there is uncertainty related to how this could impact the investment portfolio in the future.

Given the dynamic nature of these circumstances, the duration of any further disruption, if any, and the related financial impact cannot be reasonably estimated at this time. The Government will continue to focus on collecting receivables, managing expenditures, and leveraging existing cash and available credit facilities to ensure it is able to continue as a going concern.

Huu-ay-aht Government

Notes to the Consolidated Financial Statements

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22. Segment Disclosure

The Government provides a wide range of services to its citizens, residents, and stakeholders. Distinguishable functional departments have been separately disclosed in the segmented information. The nature of the segments and the activities they encompass are as follows.

General Government

This service area provides the structure of government and legislation for the Government as well as the administrative services needed to support the government operations at both the Port Alberni Government Office and in the Anacla Government Office. This includes the Executive council, People's Assembly, Committees of Council, Executive Director, administration and human resource services and treaty implementation.

Community Services

This service area provides for health-related services, social services, childcare services and education services.

Economic Development

This service area provides for the development of economic opportunities to the Government. This department also supports any major investment deals led by the Government such as the negotiations of acquiring TFL 44 LP.

Finance

The service area provides the financial services in both government offices and includes the daily procedures relating to all finance matters of the Government (accounts payable, accounts receivable, payroll and general journal entries), budgeting and financial planning, and reporting and financial statements.

Implementation

This service area is dedicated to implementing Treaty and supporting self-government.

Infrastructure

This service area is responsible for the management of public works and capital infrastructure including maintenance of capital infrastructure, provision of residential services in the Anacla community and operations of the House of the Nations and the multi-use building.

Land and Natural Resources

This service area is responsible for the management of government lands and natural resources, including the management of fisheries, forest harvesting and other uses of the land base, identification and protection of cultural sites and acquisition and distribution of cultural food.

Huu-ay-aht Government
Notes to the Consolidated Financial Statements

March 31, 2022

22. Segment Disclosure (continued)

	Budget (Note 14)	General Government	Community Services	Economic Development	Finance	Implementation	Infrastructure	Land and Natural Resources	Total
Revenue									
Taxation	32,200	-	-	-	25,003	-	-	-	25,003
Government transfers	11,563,843	-	638,187	-	9,427,130	-	3,871,580	7,144,326	21,081,223
Fees, charges and other	297,000	80,500	63,979	504,497	944,827	-	124,741	514,600	2,233,144
Investment income	545,000	-	-	2,185,394	1,962,763	-	-	-	4,148,157
Stumpage income	2,423,213	-	-	-	2,348,598	-	-	-	2,348,598
Earnings (loss) from investment in government businesses	428,000	-	-	-	(428,209)	-	-	-	(428,209)
Grants and contributions	1,574,000	-	1,434,322	290,770	-	-	3,477,588	182,500	5,385,180
Sale of assets	-	-	-	-	379,250	-	-	-	379,250
	16,863,256	80,500	2,136,488	2,980,661	14,659,362	-	7,473,909	7,841,426	35,172,346
Expenses									
Administration	630,010	15,652	41,641	1,399	296,037	-	111,936	150,534	617,199
Salaries and wages	6,297,665	1,401,268	1,528,252	161,626	518,955	(8,345)	546,771	515,814	4,664,341
Travel	128,480	36,964	40,219	5,234	6,260	-	4,325	6,811	99,813
Materials and supplies	469,830	79,163	121,300	1,577	85,118	-	207,596	29,583	524,337
Professional fees	2,754,290	586,946	1,051,681	992,924	801,088	25,250	42,844	1,260,299	4,761,032
Interest	120,347	-	-	363,292	49,935	-	-	4	413,231
Other goods and services	12,125,749	77,574	2,925,506	133,681	2,179,708	470,652	3,240,001	191,829	9,218,951
	22,526,371	2,197,567	5,708,599	1,659,733	3,937,101	487,557	4,153,473	2,154,874	20,298,904
Annual surplus, before amortization	(5,663,115)	(2,117,067)	(3,572,111)	1,320,928	10,722,261	(487,557)	3,320,436	5,686,552	14,873,442
Amortization	1,125,763	-	-	-	1,195,846	-	-	-	1,195,846
Annual surplus, after amortization	(6,788,878)	(2,117,067)	(3,572,111)	1,320,928	9,526,415	(487,557)	3,320,436	5,686,552	13,677,596