

**Fort Nelson First Nation
Consolidated Financial Statements**
For the year ended March 31, 2023

Fort Nelson First Nation Contents

For the year ended March 31, 2023

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Management's Responsibility

To the Members of Fort Nelson First Nation:

The accompanying consolidated financial statements of Fort Nelson First Nation are the responsibility of management and have been approved by the Chief and Council.

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

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

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

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

July 31, 2023

e-Signed by Angela O'Shaughnessy
2023-08-07 08:12:11:11 PDT

Director of Finance

To the Members of Fort Nelson First Nation:

Opinion

We have audited the consolidated financial statements of Fort Nelson First Nation (the "First Nation"), which comprise the consolidated statement of financial position as at March 31, 2023, and the consolidated statements of operations and accumulated surplus, remeasurement gains and losses, changes in net financial assets, cash flows and the related schedules for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the First Nation as at March 31, 2023, and the results of its consolidated operations, its remeasurement gains and losses, changes in its net financial assets and its consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

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

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

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

In preparing the consolidated financial statements, management is responsible for assessing the First Nation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the First Nation or to cease operations, or has no realistic alternative but to do so.

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

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

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

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

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

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

Surrey, British Columbia

August 15, 2023

MNP LLP

Chartered Professional Accountants

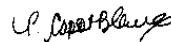
Fort Nelson First Nation
Consolidated Statement of Financial Position
As at March 31, 2023

	2023	2022
Financial assets		
Cash resources (Note 5)	22,901,516	7,743,771
Portfolio investments (Note 6)	20,563,007	11,268,803
Portfolio investments held in trust (Note 7)	10,834,681	12,194,310
Funds held in trust (Note 8)	10,410,292	9,915,971
Accounts receivable (Note 9)	12,161,180	16,223,889
Inventory	34,888	34,888
Investments in First Nation business entities and partnership (Note 10)	5,372,194	6,588,274
Note receivable (Note 11)	1,000,000	1,000,000
Total of financial assets	83,277,758	64,969,906
Liabilities		
Accounts payable and accruals (Note 12)	3,934,005	3,896,316
Deferred revenue (Note 13)	12,023,482	5,010,441
Long-term debt (Note 14)	3,205,470	2,203,502
Promissory notes payable (Note 15)	212,358	212,358
Mortgage advance	-	727,477
Total of financial liabilities	19,375,315	12,050,094
Net financial assets	63,902,443	52,919,812
Contingencies (Note 16)		
Non-financial assets		
Tangible capital assets (Schedule 2)	23,254,183	23,353,973
Prepaid expenses	123,730	56,412
Total non-financial assets	23,377,913	23,410,385
Accumulated surplus (Note 17)	87,280,356	76,330,197
Accumulated surplus is comprised of:		
Accumulated surplus (Note 17)	87,561,501	75,018,212
Accumulated remeasurement gains (losses)	(281,145)	1,311,985
	87,280,356	76,330,197

Approved on behalf of the Council



Chief



Councillor

Fort Nelson First Nation
Consolidated Statement of Operations and Accumulated Surplus
For the year ended March 31, 2023

	<i>Schedules</i>	<i>2023 Budget</i>	<i>2023</i>	<i>2022</i>
Revenue				
Indigenous Services Canada	6,226,942	6,740,166	8,757,022	
Province of British Columbia	20,428,305	19,168,954	17,074,843	
First Nations Health Authority	1,733,843	1,248,572	1,394,353	
Government of Canada	1,050,635	1,052,991	662,087	
North East Native Advancing Agency	154,956	119,616	119,270	
First Nations Education Steering Committee	367,607	498,564	388,260	
BC First Nation Gaming Revenue Sharing LP	102,000	672,924	287,162	
Rental income	280,808	265,943	270,881	
Canada Mortgage and Housing Corporation	102,990	150,841	102,603	
Property taxation	48,504	49,989	48,473	
Interest income	168,260	557,046	222,109	
Other revenue	2,826,677	3,056,089	3,087,520	
Trust distributions	-	1,335,815	1,490,159	
Income from portfolio investments	1,634,531	1,721,439	2,518,165	
Liard Hotsprings Lodge (FNFN) Ltd.	1,149,000	1,228,370	828,146	
Gain (loss) from investments in First Nation business entities	780,300	(996,790)	1,358,993	
Income from investment in First Nation business partnership	-	-	441	
		37,055,358	36,870,529	38,610,487
Program expenses				
Administration & Governance	3	2,866,522	4,522,964	2,264,427
Capital	4	4,247,655	2,760,005	5,357,233
Economic Development	5	1,178,222	1,750,531	1,436,850
Education	6	4,350,583	4,147,833	4,247,141
Family & Community Services	7	1,376,124	856,770	1,141,224
Lands Resources	11	5,607,849	4,413,549	2,559,716
Health	8	2,226,973	1,715,161	1,787,831
Housing	9	1,039,615	1,149,543	883,727
Justice	10	617,742	535,920	366,738
Other Investments	12	587,924	1,789,541	1,871,480
Social Services	13	625,529	685,423	652,154
		24,724,738	24,327,240	22,568,521
Surplus		12,330,620	12,543,289	16,041,966
Accumulated surplus, beginning of year		75,018,212	75,018,212	58,976,246
Accumulated surplus, end of year		87,348,832	87,561,501	75,018,212

The accompanying notes are an integral part of these consolidated financial statements

Fort Nelson First Nation
Consolidated Statement of Remeasurement Gains and Losses
For the year ended March 31, 2023

	2023	2022
Accumulated remeasurement gains, beginning of year	1,311,985	2,351,302
Unrealized losses attributable to:		
Portfolio investments	(937,604)	(420,948)
Amounts reclassified to the statement of operations:		
Portfolio investments	(655,526)	(618,369)
Accumulated remeasurement gains (losses), end of year	(281,145)	1,311,985

Fort Nelson First Nation
Consolidated Statement of Changes in Net Financial Assets
For the year ended March 31, 2023

	2023 Budget	2023	2022
Surplus			
Purchases of tangible capital assets	12,330,620	12,543,289	16,041,966
Amortization of tangible capital assets	194,035	(1,555,157)	(760,336)
Acquisition of prepaid expenses	1,524,261	1,654,947	1,908,559
Use of prepaid expenses	-	(67,318)	-
Change in remeasurement losses for the year	-	(1,593,130)	(1,039,317)
Increase in net financial assets	14,048,916	10,982,631	16,165,998
Net financial assets, beginning of year	52,919,812	52,919,812	36,753,814
Net financial assets, end of year	66,968,728	63,902,443	52,919,812

Fort Nelson First Nation
Consolidated Statement of Cash Flows
For the year ended March 31, 2023

	2023	2022
Cash provided by (used for) the following activities		
Operating activities		
Surplus	12,543,289	16,041,966
Non-cash items		
Amortization	1,654,947	1,908,559
Realized loss (gain) on portfolio investments	347,464	299,970
Realized loss (gain) on investments held in trust	308,062	318,399
Loss (gain) from investments in First Nation business entities	996,790	(1,358,993)
Income from investment in First Nation business partnership	-	(441)
	15,850,552	17,209,460
Changes in working capital accounts		
Accounts receivable	4,062,709	(14,620,769)
Prepaid expenses	(67,318)	15,126
Accounts payable and accruals	37,689	972,795
Deferred revenue	7,013,041	147,131
	26,896,673	3,723,743
Financing activities		
Repayment of long-term debt	(146,482)	(147,521)
Mortgage advance	420,973	14,999
	274,491	(132,522)
Capital activities		
Purchases of tangible capital assets	(1,555,157)	(760,336)
Investing activities		
Increase in portfolio investments - net	(10,445,002)	151,646
Decrease in portfolio investments held in trust - net	261,771	(150,036)
Increase in funds held in trust	(494,321)	(266,643)
Advances to investment in First Nation business entities	-	(762,412)
Proceeds from investment in First Nation business partnership	-	28,926
Decrease in investments in First Nation business entities	219,290	-
	(10,458,262)	(998,519)
Increase in cash resources	15,157,745	1,832,366
Cash resources, beginning of year	7,743,771	5,911,405
Cash resources, end of year	22,901,516	7,743,771

Fort Nelson First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2023

1. Operations

The Fort Nelson First Nation (the "First Nation") is a First Nations government located in the province of British Columbia. The First Nation is responsible for the well-being of its community and enacts legal policies and programs in the areas of Administration, Capital, Economic Development, Education, Family and Community Services, Health, Housing, Justice, Lands Resources, Other Investments and Social Services. The First Nation is also mandated to take actions to protect the well-being of members and the community and to establish cultural programs and undertake initiatives in economic development.

2. Change in accounting policy

Asset retirement obligations

Effective April 1, 2022, the First Nation adopted the Public Sector Accounting Board's (PSAB) new standard for the recognition, measurement and disclosure of a liability for asset retirement obligations under PS 3280 *Asset Retirement Obligations*. The new standard establishes when to recognize and how to measure a liability for an asset retirement obligation, and provides the related financial statement presentation and disclosure requirements. Pursuant to these recommendations, the change was applied prospectively, and prior periods have not been restated.

Under the new standard, a liability for an asset retirement obligation is recognized at the best estimate of the amount required to retire a tangible capital asset when certain criteria are met, as described in Note 3.

There was no material impact on the consolidated financial statements from the prospective application of the new accounting recommendations.

3. Significant accounting policies

These consolidated financial statements are the representations of management in accordance with Canadian public sector accounting standards as recommended by the Public Accounting Standards Board of CPA Canada and are consistent with the accounting policies set out by the Department of Indigenous Services Canada. Significant accounting policies adopted by the First Nation are as follows:

Reporting entity

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

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

- Liard Hotsprings Lodge (FNFN) Ltd.
- Chalo Independent School Society
- Fort Nelson Indian Band Land Trust Society
- Reaching For Our Vision Trust

All inter-entity balances have been eliminated on consolidation; however, transactions between departments have not been eliminated in order to present the results of operations for each specific department.

Fort Nelson First Nation business entities, owned or controlled by the First Nation's Council but not dependent on the First Nation 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 First Nation. Thus, the First Nation's investment in these entities is recorded at acquisition cost and is increased for the proportionate share of post acquisition earnings and decreased by post acquisition losses and distributions received.

Fort Nelson First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2023

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

Reporting entity *(Continued from previous page)*

Entities accounted for by the modified equity basis include:

- Deh Tai GP Ltd.
- Deh Tai Limited Partnership
- FNFN Forestry Limited Partnership

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.

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.

Net financial assets

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

Cash and cash equivalents

Cash and cash equivalent include balances with banks and short-term investments with maturities of three months or less. Cash subject to restrictions that prevent its use for current purposes is included in cash (Note 5).

Portfolio investments

Portfolio investments with prices quoted in an active market are measured at fair value while those that are not quoted in an active market are measured at cost less impairment. Portfolio investments with prices quoted in an active market include a guaranteed investment certificate and equity instruments that either have no maturity dates or have a maturity of greater than three months at the time of acquisition, and an investment in a partnership for which there is no control. Changes in fair value of investments quoted in an active market are recorded in the consolidated statement of remeasurement gains and losses. Earnings from portfolio investments that are not quoted in an active market are recognized only to the extent received or receivable.

Inventory

Inventory is valued at the lower of cost and net realizable value. Cost is determined by the weighted average method. Net realizable value is the estimated selling price in the ordinary course of business.

Inventory held for resale is classified as a financial asset when all of the following criteria are met:

- Prior to March 31, 2023, the First Nation has committed to sell the asset;
- The asset is in a condition to be sold;
- The asset is publicly seen to be for sale;
- There is an active market for the asset;
- A plan exists for selling the asset; and
- A sale to a party external to the First Nation can reasonably be expected within one year.

Fort Nelson First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2023

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

Tangible capital assets

Tangible capital assets are initially recorded at cost which includes all amounts that are directly attributable to acquisition, construction, development or betterment of the asset. Contributed tangible assets are recorded at their fair value at the date of contribution. All intangibles and items inherited by right of the First Nation, such as reserve lands, forests, water, and mineral resources, are not recognized as assets in the First Nation's consolidated financial statements. Historic works of art and treasures are not recorded as assets in these consolidated financial statements.

Amortization

Assets under construction are not amortized until the asset becomes available for use. Amortization for other tangible capital assets is provided using the following methods at rates intended to amortize the cost of the assets over their estimated useful lives:

	Method	Rate
Buildings	straight-line	4 %
Automotive equipment	straight-line	10 %
Computer and office equipment	straight-line	10-30 %
Machinery and equipment	straight-line	10-30 %
Roads and land improvements	straight-line	4-20 %
Service installations	straight-line	5 %

Long-lived assets

Long-lived assets consist of tangible capital assets with finite useful lives. Long-lived assets held for use are measured and amortized as described in the applicable accounting policies.

The First Nation performs impairment testing on long-lived assets held for use whenever events or changes in circumstances indicate that the carrying amount of an asset, or group of assets, may not be recoverable. The carrying amount of a long-lived asset is not recoverable if the carrying amount exceeds the sum of the undiscounted future cash flows from its use and disposal. Impairment is measured as the amount by which the asset's carrying amount exceeds its fair value. Fair value is measured using prices for similar items. Any impairment is included in operations for the year.

Liability for contaminated site

A liability for remediation of a contaminated site is recognized at the best estimate of the amount required to remediate the contaminated site when contamination exceeding an environmental standard exists, the First Nation is either directly responsible or accepts responsibility, it is expected that future economic benefits will be given up, and a reasonable estimate of the amount is determinable. The best estimate of the liability includes all costs directly attributable to remediation activities and is reduced by expected net recoveries based on information available at March 31, 2023.

At each financial reporting date, the First Nation reviews the carrying amount of the liability. Any revisions required to the amount previously recognized is accounted for in the period revisions are made. The First Nation continues to recognize the liability until it is settled or otherwise extinguished. Disbursements made to settle the liability are deducted from the reported liability when they are made. As at March 31, 2023, no liability for contaminated sites exists.

Asset retirement obligation

A liability for an asset retirement obligation is recognized at the best estimate of the amount required to retire a tangible capital asset (or a component thereof) at the financial statement date when there is a legal obligation for the First Nation to incur retirement costs in relation to a tangible capital asset (or component thereof), the past transaction or event giving rise to the liability has occurred, it is expected that future economic benefits will be given up, and a reasonable estimate of the amount can be made. The best estimate of the liability includes all costs directly attributable to asset retirement activities, based on information available at March 31, 2023. The best estimate of an asset retirement obligation incorporates a present value technique, when the cash flows required to settle or otherwise extinguish an asset retirement obligation are expected to occur over extended future periods.

When a liability for an asset retirement obligation is initially recognized, a corresponding asset retirement cost is capitalized to the carrying amount of the related tangible capital asset (or component thereof). The asset retirement cost is amortized over the useful life of the related asset.

Fort Nelson First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2023

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

Asset retirement obligation *(Continued from previous page)*

At each financial reporting date, the First Nation reviews the carrying amount of the liability. The First Nation recognizes period-to-period changes to the liability due to the passage of time as accretion expense. Changes to the liability arising from revisions to either the timing, the amount of the original estimate of undiscounted cash flows or the discount rate are recognized as an increase or decrease to the carrying amount of the related tangible capital asset.

The First Nation continues to recognize the liability until it is settled or otherwise extinguished. Disbursements made to settle the liability are deducted from the reported liability when they are made. As at March 31, 2023, no liability for asset retirement obligations exists.

Revenue recognition

Funding

Revenue is recognized as it becomes receivable under the terms of applicable funding agreements. Funding received under funding arrangements that relate to a subsequent fiscal period are reflected as deferred revenue on the consolidated statement of financial position in the year of receipt.

Government transfers

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

Externally restricted revenue

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

Funds held in trust

The First Nation recognizes revenue of the Capital and Revenue Trust Fund at the time funds are contributed from the accounts held in Ottawa. Interest revenue is recognized when earned.

Other income

Investment income reported on investments not subject to significant influence is recorded as revenue in the period earned.

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

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 expenses during the reporting period.

Accounts receivable are stated after evaluation as to their collectability and an appropriate allowance for doubtful accounts is provided where considered necessary. Amounts due from First Nation members and investments in First Nation business entities are stated after evaluation as to their collectability and recoverability and an appropriate allowance for impairment is provided where considered necessary. Amortization is based on the estimated useful lives of tangible capital assets. Liabilities for contaminated sites are estimated based on the best information available regarding potentially contaminated sites that the First Nation is responsible for.

Fort Nelson First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2023

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

Measurement uncertainty (Use of estimates) *(Continued from previous page)*

Asset retirement obligation

A liability for an asset retirement obligation reflects management's best estimate of the amount required to retire the related tangible capital asset (or component thereof). The best estimate of the liability is based upon assumptions and estimates related to the amount and timing of costs for future asset retirement.

Changes to the underlying assumptions and estimates or legislative changes in the near term could have a material impact on the provision recognized.

By their nature, these judgments are subject to measurement uncertainty, and the effect on the consolidated financial statements of changes in such estimates and assumptions in future periods could be significant. These estimates and assumptions are reviewed periodically and, as adjustments become necessary they are reported in operations in the periods in which they become known.

Funds held in trust

Funds held in trust on behalf of First Nation members by the Government of Canada in the Ottawa Trust Fund are reported on the consolidated statement of financial position with an offsetting amount in accumulated surplus. Trust moneys consist of:

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

Segments

The First Nation conducts its business through eleven reportable segments: Administration & Governance, Capital, Economic Development, Education, Family & Community Services, Health, Housing, Justice, Lands Resources, Other Investments and Social Services. These operating segments are established by senior management to facilitate the achievement of the First Nation's long-term objectives to aid in resource allocation decisions, and to assess operational performance.

For each reported segment, revenue and expenses represent both amounts that are directly attributable to the segment and amounts that are allocated on a reasonable basis. Therefore, certain allocation methodologies are employed in the preparation of segmented financial information.

The accounting policies used in these segments are consistent with those followed in the preparation of the consolidated financial statements as disclosed above.

Financial instruments

The First Nation recognizes its financial instruments when the First Nation becomes party to the contractual provisions of the financial instrument. All financial instruments are initially recorded at their fair value.

At initial recognition, the First Nation may irrevocably elect to subsequently measure any financial instrument at fair value. The First Nation has made such an election during the year.

The First Nation subsequently measures investments in equity instruments quoted in an active market and all derivative instruments, except those that are linked to, and must be settled by delivery of, unquoted equity instruments of another entity, at fair value. Fair value is determined by published price quotations that are available in an open market.

Transactions to purchase or sell these items are recorded on the trade date. Net gains and losses arising from changes in fair value are recognized in the consolidated statement of remeasurement gains and losses. Investments in equity instruments not quoted in an active market and derivatives that are linked to, and must be settled by delivery of, unquoted equity instruments of another entity, are subsequently measured at cost. With the exception of those instruments designated at fair value, all other financial assets and liabilities are subsequently measured at amortized cost using the effective interest rate method.

Fort Nelson First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2023

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

Financial instruments *(Continued from previous page)*

Transaction costs directly attributable to the origination, acquisition, issuance or assumption of financial instruments subsequently measured at fair value are immediately recognized in operating surplus. Conversely, transaction costs are added to the carrying amount for those financial instruments subsequently measured at cost or amortized cost.

All financial assets except derivatives are tested annually for impairment. Management considers whether the investee has experienced continued losses for a period of years, recent collection experience for the loan, such as a default or delinquency in interest or principal payments, etc. in determining whether objective evidence of impairment exists. Any impairment, which is not considered temporary, is recorded in the consolidated statement of operations. Write-downs of financial assets measured at cost and/or amortized cost to reflect losses in value are not reversed for subsequent increases in value. Reversals of any net remeasurements can occur, provided they are not greater than the amount that would have been reported at the date of reversal had the impairment not been previously recognized. In such instances these reversals are recognized in the consolidated statement of operations.

Foreign currency translation

Transaction amounts denominated in foreign currencies are translated into their Canadian dollar equivalents at exchange rates prevailing at the transaction dates. Carrying values of monetary assets and liabilities and non-monetary items included in the fair value category reflect the exchange rates at the consolidated statement of financial position date. Unrealized foreign exchange gains and losses are recognized in the consolidated statement of remeasurement gains and losses.

In the period of settlement, foreign exchange gains are reclassified to the consolidated statement of operations, and the cumulative amount of remeasurement gains and losses is reversed in the consolidated statement of remeasurement gains and losses.

Consolidated statement of remeasurement gains and losses

By presenting remeasurement gains (losses) separately, changes in the carrying value of financial instruments arising from fair value measurement, unrealized foreign exchange gains (losses) and other comprehensive income arising from investments in First Nation business entities are distinguished from revenues and expenses reported in the consolidated statement of operations. The consolidated statement of operations reports the extent to which revenue raised in the period were sufficient to meet the expenses incurred. Remeasurement gains (losses) do not affect this assessment as they are recognized in the consolidated statement of remeasurement gains and losses. Taken together, the two statements account for changes in a First Nation's net assets (liabilities) in the period.

Upon settlement, the cumulative gain (loss) is reclassified from the consolidated statement of remeasurement gains and losses and recognized in the consolidated statement of operations. Interest and dividends attributable to all financial instruments are reported in the consolidated statement of operations.

4. Financial Instruments

The First Nation as part of its operations carries a number of financial instruments. It is management's opinion that the First Nation is not exposed to significant interest, currency or credit risks arising from these financial instruments except as otherwise disclosed.

Interest rate risk

Interest rate risk is the risk to the First Nation's earnings that arises from fluctuations in market interest rates and the degree of volatility of these rates. The First Nation does not use derivative instruments to reduce its exposure to interest rate risk. Management expects interest rates to remain relatively constant for the coming year and therefore considers the related risk to be low.

Market risk

Market risk relates to the possibility that the equity investments will change in value due to future fluctuations in market prices. The First Nation does not use derivative instruments to reduce its exposure to market risk.

Fort Nelson First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2023

4. Financial Instruments *(Continued from previous page)*

Fair values

Due to their short-term nature, the carrying values of cash resources, portfolio investments, accounts receivable, accounts payable and accruals approximate their fair values. The terms and interest rates of the First Nation's long-term debt are similar to those currently offered for similar loans, therefore the carrying values of these loans are also considered to approximate their fair values.

Credit risk

Credit risk is the risk of financial loss because a counter party to a financial instrument fails to discharge its contractual obligations.

Risk management

The First Nation manages its credit risk by assessing the collectability of its receivables and creating allowances for potentially uncollectible accounts receivable.

5. Cash resources

Restricted cash

Included in cash are externally restricted funded reserves in the amount of \$520,919 (2022 - \$505,775).

Credit facilities

The First Nation has available a \$600,000 revolving line of credit and a \$250,000 bank overdraft with interest charged at the Scotiabank prime rate plus 0.75% and 0.5% per annum respectively. At March 31, 2023, the outstanding line of credit and bank overdraft balances were \$NIL (2022 - \$NIL), and are secured by certain vehicles owned and a general security agreement over all present and future personal property with appropriate insurance coverage. Prime rate at March 31, 2023 was 6.70% (2022 - 2.70%).

6. Portfolio investments

Included in portfolio investments are the following:

- Publicly traded securities with a market value of \$20,495,805 (2022 - \$11,049,814) and an adjusted cost base of \$20,594,240 (2022 - \$10,433,049).
- The First Nation has an investment in a limited partnership representing 49.9% ownership of the partnership units with an adjusted cost base of \$1 (2022 - \$1). The limited partnership is accounted for as a portfolio investment and is not quoted in an active market.
- A 1-year Guaranteed Investment Certificate of \$67,201 (2022 - \$218,988).

7. Portfolio investments held in trust

Included in portfolio investments held in trust are publicly traded securities with a market value of \$10,834,681 (2022 - \$12,194,310) and an adjusted cost base of \$11,017,392 (2022 - \$11,499,091).

8. Funds held in trust

Funds held in trust include the Ottawa Trust accounts which arise from moneys derived from capital or revenue sources as outlined in Section 62 of the *Indian Act*. These funds are held in trust in the Consolidated Revenue Fund of the Government of Canada and are subject to audit by the Office of the Auditor General of Canada. The management of these funds is primarily governed by Sections 63 to 69 of the *Indian Act*. Capital and revenue trust moneys are transferred to the First Nation on the authorization of the Minister of Indigenous Services Canada, with the consent of the First Nation's Council.

Fort Nelson First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2023

8. Funds held in trust *(Continued from previous page)*

	2023	2022
Capital Trust		
Balance, beginning of year	9,599,474	9,565,056
Additions	140,131	34,418
 Balance, end of year	 9,739,605	 9,599,474
Revenue Trust		
Balance, beginning of year	316,497	84,272
Additions	354,190	232,225
 Balance, end of year	 670,687	 316,497
	10,410,292	9,915,971

9. Accounts receivable

	2023	2022
Indigenous Services Canada	445,176	350,353
First Nations Health Authority	468,270	21,884
Province of British Columbia	9,288,821	14,350,156
Government of Canada	555,700	97,616
Due from members	1,604,886	1,810,870
Other receivables	1,568,902	1,545,130
Allowance for doubtful accounts	(1,770,575)	(1,952,120)
 	 12,161,180	 16,223,889

Fort Nelson First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2023

10. Investments in First Nation business entities and partnership

The First Nation has investments in the following entities:

					2023
	<i>Investment cost</i>	<i>Advances to (from)</i>	<i>Accumulated earnings (loss) in equity</i>	<i>Current earnings (loss) in equity</i>	<i>Total investment</i>
First Nation Business entities – Modified Equity:					
Deh Tai Limited Partnership - 99.9%					
Deh Tai Limited Partnership - 99.9%	100	10,186,457	(2,911,795)	(339,963)	6,934,799
Deh Tai GP Ltd. - 100%	1	-	(1,141,889)	(627,312)	(1,769,200)
FNFN Forestry Limited Partnership - 99.99%	-	111,874	124,236	(29,515)	206,595
	101	10,298,331	(3,929,448)	(996,790)	5,372,194
First Nation Business entities – Modified Equity:					
Deh Tai Limited Partnership - 99.9%					
Deh Tai Limited Partnership - 99.9%	100	10,405,746	(3,706,368)	794,573	7,494,051
Deh Tai GP Ltd. - 100%	1	-	(1,554,266)	412,377	(1,141,888)
FNFN Forestry Limited Partnership - 99.99%	-	111,875	(27,807)	152,043	236,111
	101	10,517,621	(5,288,441)	1,358,993	6,588,274
First Nation Business Partnership – Modified Equity					
Waterways Communications Limited Partnership - 51%					
Waterways Communications Limited Partnership - 51%	25,076	(28,925)	3,408	441	-

The First Nation has fully consolidated the assets, liabilities, revenue and expenses of Liard Hotsprings Lodge (FNFN) Ltd., which was established to provide accommodations, restaurant operations and sales of gasoline, food and souvenirs near Fort Nelson, British Columbia.

FNFN Forestry Limited Partnership was established to enter into forestry operations near Fort Nelson, British Columbia.

Deh Tai Limited Partnership together with its general partner, Deh Tai GP Ltd. were established as part of a Master Limited Partnership structure to invest in entities to pursue economic development opportunities. As of March 31, 2023, the Limited Partnership held investments in the following:

- Eh Cho Dene Limited Partnership was established to carry on road construction, site preparation and maintenance and land clearing for gas plants, hydro stations and right-of-ways.
- Fern Lake Commercial Holdings Limited Partnership was established to hold commercial rental properties.
- Fern Lake Residential Holdings Limited Partnership was established to hold residential rental properties.
- Clarke Lake Geothermal Limited Partnership was established to develop geothermal electricity production facilities. During the year, Clarke Lake Limited Partnership capitalized \$12,019,534 (2022 - \$15,176,613) in development costs for a geothermal project.

As at March 31, 2023 the general partner held an investment in 1164062 B.C. Ltd., which was established to provide accommodations through hotel and restaurant operations in Fort Nelson, British Columbia.

Fort Nelson First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2023

10. Investments in First Nation business entities and partnership *(Continued from previous page)*

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

	<i>FNFN Forestry Limited Partnership As at December 31, 2022</i>	<i>Deh Tai GP Ltd. As at December 31, 2022</i>	<i>Deh Tai Limited Partnership As at December 31, 2022</i>
Assets			
Cash	-	50,219	1,466,981
Accounts receivable	-	143,010	2,918,221
Other current assets	-	36,889	106,754
Investments	6,650,987	-	949,543
Property, plant and equipment	-	99,304	32,126,053
Advances to related parties	-	3,345,148	3,340,968
Total assets	6,650,987	3,674,570	40,908,520
Liabilities			
Accounts payable and accruals	4,500	107,441	3,896,727
Deferred revenue	-	-	24,703,318
Long-term debt	-	40,000	1,012,238
Payable to the First Nation	-	287,491	11,883,397
Advances from related parties	11,875	4,831,706	3,245,448
Total liabilities	16,375	5,266,638	44,741,128
Net assets (debt)	6,634,612	(1,592,068)	(3,832,608)
Total revenue	-	747,069	9,588,030
Total expenses	43,096	1,128,389	10,374,350
Net income (loss)	(43,096)	(381,320)	(786,320)

11. Note receivable

The note receivable from an unrelated party is due on demand and bears interest at 8% after the demand date.

12. Accounts payable and accruals

	2023	2022
Indigenous Services Canada	311,356	167,399
First Nations Health Authority	343,818	311,759
Province of British Columbia	201,939	85,266
Other accounts payable and accrued liabilities	3,076,892	3,331,892
	3,934,005	3,896,316

Fort Nelson First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2023

13. Deferred revenue

Deferred revenue consists of funds received for specific purposes which were not completed at the end of the fiscal year.

	<i>Balance, beginning of year</i>	<i>Funding received</i>	<i>Revenue recognized</i>	<i>Balance, end of year</i>
Indigenous Services Canada	3,569,918	9,889,988	6,884,124	6,575,782
First Nations Health Authority	542,041	2,045,551	1,257,366	1,330,226
Province of British Columbia	347,858	21,591,361	19,442,609	2,496,610
Other deferred revenue	550,624	4,698,448	3,628,208	1,620,864
	5,010,441	38,225,348	31,212,307	12,023,482

14. Long-term debt

	2023	2022
Scotiabank - Mortgage repayable in monthly instalments of \$431 including interest at 3.995% per annum; due for renewal on May 15, 2023 and matures May 2032; guaranteed by Indigenous Services Canada.	39,361	42,896
All Nations Trust (6 units - Phase 5) (CMHC Full Program) - Mortgage repayable in monthly instalments of \$5,966, including interest at 3.75% per annum; due for renewal on July 1, 2027 and matures July 1, 2047; guaranteed by Indigenous Services Canada; secured by assets with a net book value of \$1,651,013.	1,148,450	-
All Nations Trust (6 units - Phase 2) (CMHC Full Program) - Mortgage repayable in monthly instalments of \$2,401, including interest at 2.22% per annum; due for renewal on January 1, 2024 and matures December 1, 2028; guaranteed by Indigenous Services Canada; secured by assets with a net book value of \$183,220 (2022 - \$207,797).	155,711	180,833
All Nations Trust (3 units - Phase 3) (CMHC Full Program) - Mortgage repayable in monthly instalments of \$2,701 (2022 - \$2,307), including interest at 3.75% (2022 - 1.44%) per annum; maturing July 1, 2037; guaranteed by Indigenous Services Canada; secured by assets with a net book value of \$769,383 (2022 - \$789,022).	360,875	380,102
All Nations Trust (8 units - Phase 4) (CMHC Full Program) - Mortgage repayable in monthly instalments of \$6,407, including interest at 1.12% per annum; due for renewal on October 1, 2026 and matures October 1, 2041; guaranteed by Indigenous Services Canada; secured by assets with a net book value of \$1,619,696 (2022 - \$1,681,473).	1,290,923	1,353,082
All Nations Trust - Mortgage repayable in monthly instalments of \$451 (2022 - \$507), including interest at 3.00% (2022 - 4.74%) per annum; due for renewal on February 1, 2026 and matures February 1, 2036; guaranteed by Indigenous Services Canada; secured by assets with a net book value of \$62,277 (2022 - \$67,196).	58,122	61,732
All Nations Trust - Mortgage repayable in monthly instalments of \$279 (2022 - \$283), including interest at 3.00% (2022 - 3.69%) per annum; matures January 1, 2025; guaranteed by Indigenous Services Canada.	5,984	9,100

Fort Nelson First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2023

14. Long-term debt *(Continued from previous page)*

	2023	2022
All Nations Trust -		
Mortgage repayable in monthly instalments of \$1,030 (2022 - \$1,098), including interest at 3.50% (2022 - 4.49%) per annum; matures August 1, 2037; guaranteed by Indigenous Services Canada; secured by assets with a net book value of \$439,698 (2022 - \$473,374).	133,002	140,357
Scotiabank term loan -		
Loan repayable in monthly principal instalments of \$1,863; interest payable monthly at the prime rate; matures November 24, 2023; secured by assets with a net book value of \$61,177 (2022 - \$67,073).	13,042	35,400
	3,205,470	2,203,502

Principal repayments on long-term debt in each of the next five years, assuming all term debt is subject to contractual terms of repayment and long-term debt subject to refinancing is renewed, are estimated as follows:

2024	181,319
2025	175,134
2026	162,497
2027	166,043
2028	169,692
Thereafter	2,350,785
	3,205,470

15. Promissory notes payable

The Council has filed a specific claim in the British Columbia Supreme Court for damage for injunctive relief, infringement of Treaty Rights and for related declaration of rights pursuant to Treaty 8 and Trapline Registration System. Negotiations towards an out of court settlement are currently in progress. The outcome is not certain and presently undeterminable. The Council received funding from Indigenous Services Canada as advance for the negotiation of this claim. Under the terms of the funding agreement, these advances are to be repaid by the Council out of their claim settlements. These advances have been recorded as a liability, as the Council has provided promissory notes to the Government of Canada in 2015 in accordance with the Native Claims Loan Agreement. The first note of \$157,708 is non-interest bearing, unsecured and was due on the date on which the Specified Claim is settled. The second note of \$54,650 is non-interest bearing, unsecured and is due on the earlier of March 31, 2024 or date on which the Specified Claim is settled.

Fort Nelson First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2023

16. Contingencies

The First Nation is contingently liable for member housing loans provided to individual members for loans made by various financial institutions for purposes of acquiring on reserve housing. In the event that members default on their obligations under these loans, the First Nation would be required to pay the outstanding loan balance to the lenders. In the event that the First Nation is unable to pay on any defaulted member loans, these loans are guaranteed by Indigenous Services Canada. The First Nation's guarantee is itself secured by the related real properties.

As at March 31, 2023, the loans are analyzed as follows:

CIBC Mortgages Corporation	37,421
CIBC Mortgages Corporation	58,568
CIBC Mortgages Corporation	72,081
Peace Hills Trust	3,521
North Peace Savings and Credit Union	66,722
North Peace Savings and Credit Union	<u>162,377</u>
	<u>400,690</u>

One of the First Nation's consolidated entities, Liard Hotsprings Lodge (FNFN) Ltd., is contingently liable for decommissioning costs that will be incurred at the end of the operating life of the fuel tanks on the entity's property. The ultimate decommissioning liability is uncertain and can vary in response to many factors including environmental factors, new restorative techniques and changes in legal requirements. As a result, the entity is unable to measure the potential liability at the date of these consolidated financial statements and, accordingly, no provision has been made in the accounts.

The First Nation is contingently liable for remediation costs for properties that are not in productive use where contamination may exceed environmental standards. As of the date of these consolidated financial statements, there is uncertainty as to whether the First Nation is responsible or will accept responsibility for the remediation costs, and a reasonable estimate of the remediation costs is not available. Accordingly no provision has been made in the accounts.

These consolidated statements are subject to review by the First Nation's funding agents. It is possible that the adjustments could be made based on the results of their reviews.

Fort Nelson First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2023

17. Accumulated surplus

Accumulated surplus consists of the following:

	2023	2022
Restricted cash	520,919	505,775
Portfolio investments held in trust	10,834,681	12,194,310
Trust funds held by federal government - capital account	9,739,605	9,599,474
Trust funds held by federal government - revenue account	670,687	316,497
Investments in First Nation business entities	5,372,194	6,588,274
Investment in tangible capital assets	20,048,713	20,422,995
	47,186,799	49,627,325
Surplus available for operations	40,374,702	25,390,887
Accumulated surplus	87,561,501	75,018,212
Accumulated remeasurement gains (losses)	(281,145)	1,311,985
	87,280,356	76,330,197

18. Budget information

The disclosed budget information has been approved by the Chief and Council and community members of the First Nation at the Community meeting held on April 7, 2022.

Budgeted figures on the Consolidated Statement of Operations	12,330,620
Adjusted for:	
Replacement reserve transfers	<u>(34,500)</u>
Budgeted surplus approved by Chief and Council and community members	<u>12,296,120</u>

19. Trust funds

Fort Nelson First Nation Future Generations Trust (2018)

The First Nation's revenue for the year included distributions from the trust of \$264,689 (2022 - \$295,333) and expenses included distributions to the trust of \$264,689 (2022 - \$295,333). As at March 31, 2023, the balance of funds held in trust was \$7,157,336 (2022 - \$6,217,390) and the fair market value of the investments held in trust was \$7,084,441 (2022 - \$7,247,664). The Fort Nelson First Nation Future Generations Society acts as trustee to the Fort Nelson Future Generations Trust (2018).

Fort Nelson First Nation Agricultural Benefits Trust

The First Nation's revenue for the year included distributions from the trust of \$1,071,126 (2022 - \$1,194,826) and expenses included distributions to the trust of \$1,071,126 (2022 - \$1,194,826). As at March 31, 2023, the balance of funds held in trust was \$31,055,429 (2022 - \$30,108,686) and the fair market value of the investments held in trust was \$30,599,194 (2022 - \$31,738,548).

Under Canadian public sector accounting standards, the trusts are not recorded as an asset with the corresponding equity in accumulated surplus of the First Nation as the trusts are not controlled by the First Nation, they are controlled by a third party for the benefit of the First Nation membership.

Fort Nelson First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2023

20. Defined contribution pension plan

The First Nation has a defined contribution pension plan covering all full-time and part-time employees. Contributions to the plan are based on 2.5%-5.5% of participants' contributions up to \$6,477 per participant. There have been no significant changes to the plan in the current year.

21. Supplemental cash flow information

During the year, the First Nation paid cash interest of \$64,089 (2022 - \$60,522) and received cash for interest of \$1,255,378 (2022 - \$1,131,902).

22. Economic dependence

Fort Nelson First Nation receives a significant portion of its revenue from Indigenous Services Canada and First Nations Health Authority as a result of Treaties entered into with the Government of Canada. These treaties are administered by Indigenous Services Canada and First Nations Health Authority under the terms and conditions of the *Indian Act*. The ability of the First Nation to continue operations is dependent upon the Government of Canada's continued financial commitments as guaranteed by these treaties.

23. Compliance with laws and regulations

The First Nation is required by the First Nations Financial Transparency Act to submit its consolidated financial statements to Indigenous Services Canada, and post its consolidated financial statements on a website, within 120 days of year-end. As the First Nation had not done this, it is not in compliance with this law. The potential effect of the non-compliance is unknown.

24. Comparative figures

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

Fort Nelson First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2023

25. Segments

The First Nation describes its operating segments as follows:

Administration and Governance

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

Capital

This segment is comprised of programs that oversee the First Nation's infrastructure.

Economic Development

This segment implements community economic development planning and capacity building initiatives, which are pursued to benefit the First Nation's community by enhancing employment, income generation activities, use of land and resources, economic infrastructure and business opportunities.

Education

This segment is responsible for managing and delivering K to grade 12 education programs and services. This includes language and culture, employment counselling services and the management of post-secondary student funding and support programs.

Family and Community Services

This segment is comprised of programs that support community wellbeing, promote early childhood development and culture to children and young families.

Health

This segment administers the delivery of health programs and services.

Housing

This segment's activities include First Nation owned and CMHC housing rental units and repairs.

Justice

This segment administers services to assist community members in the local administration of justice, in a culturally relevant fashion.

Lands Resources

This segment is responsible for ensuring that interests of the First Nation are represented in matters of lands and natural resources.

Other Investments

This segment includes income and investments in government business enterprises, as well as income from portfolio investments and partnerships.

Social Services

This segment administers benefits and services to individuals and families living on reserve who are in need of support. Department services include income assistance, assisted living and child out of parental home.

Fort Nelson First Nation
Schedule 1 - Schedule of Consolidated Expenses by Object
For the year ended March 31, 2023

	2023	2023	2022
	<i>Budget</i>		
Consolidated expenses by object			
Administration recoveries	(1,280,108)	(1,112,678)	(825,869)
Administrative fees	1,594,092	788,964	791,996
Advertising	12,100	13,130	5,875
Amortization	1,524,261	1,654,947	1,908,559
Bad debts	-	40,846	(24,629)
Bank charges and interest	373,659	231,198	164,752
Community programs	1,117,410	1,476,271	1,007,722
Contribution to trust	-	1,335,815	1,490,159
Cost of goods sold	428,600	506,990	344,715
Distribution to minors	240,000	260,000	240,000
Furniture and equipment	210,916	182,855	354,940
Honoraria	813,572	844,422	547,416
Insurance	280,468	216,532	207,525
Interest on long-term debt	35,755	74,704	47,902
Meeting and conventions	63,087	21,881	11,626
Nominal roll tuition fees	375,000	367,638	308,910
Office and miscellaneous	169,993	479,801	74,900
Per capita distributions	-	810,000	992
Post secondary	388,845	305,161	329,309
Professional fees	3,479,334	3,435,490	4,350,032
Property tax	22,644	26,675	22,925
Repairs and maintenance	1,937,835	1,261,369	1,349,635
Social services payments	370,748	458,051	414,474
Student incentives	51,100	67,329	69,015
Supplies and other	600,331	682,277	509,393
Telephone	318,626	293,668	232,096
Transportation	688,881	749,540	293,342
Travel and training	485,652	308,048	100,601
Utilities	415,818	440,108	413,521
Wages and benefits	10,006,119	8,106,208	7,826,687
	24,724,738	24,327,240	22,568,521

Fort Nelson First Nation
Schedule 2 - Consolidated Schedule of Tangible Capital Assets
For the year ended March 31, 2023

	<i>Land</i>	<i>Buildings</i>	<i>Automotive equipment</i>	<i>Computer and office equipment</i>	<i>Machinery and equipment</i>	<i>Roads and land improvements</i>	<i>Subtotal</i>
Cost							
Balance, beginning of year	2,255,652	24,572,894	1,476,855	1,955,501	934,232	12,563,491	43,758,625
Acquisition of tangible capital assets	-	1,035,220	-	164,827	73,326	-	1,273,373
Balance, end of year	2,255,652	25,608,114	1,476,855	2,120,328	1,007,558	12,563,491	45,031,998
Accumulated amortization							
Balance, beginning of year	-	14,757,223	998,352	1,702,972	730,116	8,491,708	26,680,371
Annual amortization	-	749,271	79,060	78,169	35,681	428,367	1,370,548
Balance, end of year	-	15,506,494	1,077,412	1,781,141	765,797	8,920,075	28,050,919
Net book value of tangible capital assets	2,255,652	10,101,620	399,443	339,187	241,761	3,643,416	16,981,079
2022 Net book value of tangible capital assets	2,255,652	9,815,671	478,503	252,529	204,116	4,071,783	17,078,254

Fort Nelson First Nation
Schedule 2 - Consolidated Schedule of Tangible Capital Assets
For the year ended March 31, 2023

	Subtotal	Service installations	Assets under construction	CMHC Housing units	Liard Hot Springs Lodge (FNFN) Ltd. - Property and equipment	2023	2022
Cost							
Balance, beginning of year	43,758,625	10,720,942	1,772,898	3,610,750	1,588,519	61,451,734	60,691,398
Acquisition of tangible capital assets	1,273,373	-	-	1,667,477	130,345	3,071,195	760,336
Construction in progress	-	-	(1,516,038)	-	-	(1,516,038)	-
Balance, end of year	45,031,998	10,720,942	256,860	5,278,227	1,718,864	63,006,891	61,451,734
Accumulated amortization							
Balance, beginning of year	26,680,371	9,841,945	-	931,395	644,050	38,097,761	36,189,202
Annual amortization	1,370,548	101,739	-	123,520	59,140	1,654,947	1,908,559
Balance, end of year	28,050,919	9,943,684	-	1,054,915	703,190	39,752,708	38,097,761
Net book value of tangible capital assets	16,981,079	777,258	256,860	4,223,312	1,015,674	23,254,183	23,353,973
2022 Net book value of tangible capital assets	17,078,254	878,998	1,772,898	2,679,354	944,469	23,353,973	

Fort Nelson First Nation
Administration & Governance
Schedule 3 - Consolidated Schedule of Revenue and Expenses
For the year ended March 31, 2023

	2023 Budget	2023	2022
Revenue			
Indigenous Services Canada	846,409	1,153,315	851,495
Province of British Columbia	16,670,000	16,101,678	14,318,646
First Nations Health Authority	-	-	10,945
Interest income	28,260	232,956	33,637
BC First Nation Gaming Revenue Sharing LP	102,000	672,924	287,162
Other revenue	393,328	621,193	179,701
Property taxation	48,504	49,989	48,473
	18,088,501	18,832,055	15,730,059
Expenses			
Administration recoveries	(1,201,579)	(1,012,153)	(781,742)
Administrative fees	76,192	21,067	34,015
Advertising	12,100	13,130	5,875
Amortization	148,203	110,242	152,440
Bad debts (recovery)	-	40,846	(24,629)
Bank charges and interest	4,335	7,679	12,727
Community programs	169,965	684,234	314,739
Furniture and equipment	30,000	16,521	29,342
Honoraria	306,545	443,858	234,504
Insurance	23,604	13,148	15,439
Interest on long-term debt	3,420	2,873	3,185
Meeting and conventions	31,020	11,423	4,235
Office and miscellaneous	107,753	141,725	46,216
Per capita distributions	-	810,000	992
Professional fees	755,748	1,063,238	300,181
Property tax	18,444	21,736	18,409
Repairs and maintenance	20,000	25,209	20,000
Supplies and other	98,099	158,999	77,806
Telephone	86,435	107,394	61,342
Transportation	41,760	7,752	10,263
Travel and training	156,740	95,443	50,963
Utilities	19,920	20,076	21,014
Wages and benefits	1,957,818	1,718,524	1,657,109
	2,866,522	4,522,964	2,264,425
Surplus before transfers	15,221,979	14,309,091	13,465,634
Transfers between programs	(3,889,670)	(2,766,650)	(958,856)
Surplus	11,332,309	11,542,441	12,506,778

Fort Nelson First Nation
Capital
Schedule 4 - Consolidated Schedule of Revenue and Expenses
For the year ended March 31, 2023

	2023 Budget	2023	2022
Revenue			
Indigenous Services Canada	1,857,379	2,080,873	4,082,701
Province of British Columbia	150,000	-	16,079
North East Native Advancing Agency	30,856	13,616	15,270
First Nations Health Authority	42,000	57,219	43,459
First Nations Education Steering Committee	13,842	13,055	746
Government of Canada	400,114	356,648	88,909
Rental income	45,500	9,750	37,700
Other revenue	258,392	316,490	504,745
	2,798,083	2,847,651	4,789,609
Expenses			
Administration recoveries	(78,529)	(64,018)	(44,127)
Administrative fees	260,279	180,623	143,936
Amortization	667,995	526,258	668,107
Bank charges and interest (recovery)	-	2,343	(2,567)
Community programs	2,520	2,797	2,479
Furniture and equipment	31,903	3,227	25,209
Honoraria	5,750	5,725	-
Insurance	97,152	50,493	58,296
Meeting and conventions	1,200	-	-
Office and miscellaneous	8,200	8,661	871
Professional fees	576,159	152,549	2,573,996
Repairs and maintenance	1,392,416	747,908	835,231
Supplies and other	51,849	46,062	122,672
Telephone	6,493	10,735	9,912
Transportation	38,280	59,271	63,154
Travel and training (recovery)	32,150	(941)	6,943
Utilities	45,948	50,426	53,938
Wages and benefits	1,107,890	977,886	839,183
	4,247,655	2,760,005	5,357,233
Surplus (deficit) before transfers	(1,449,572)	87,646	(567,624)
Transfers between programs	838,386	313,914	295,414
Surplus (deficit)	(611,186)	401,560	(272,210)

Fort Nelson First Nation
Economic Development
Schedule 5 - Consolidated Schedule of Revenue and Expenses
For the year ended March 31, 2023

	2023 Budget	2023	2022
Revenue			
Indigenous Services Canada	45,722	273,442	45,731
Government of Canada	-	28,024	100,407
Logging revenue	-	-	1,030,087
Liard Hotsprings Lodge (FNFN) Ltd.	1,149,000	1,228,370	828,146
	1,194,722	1,529,836	2,004,371
Expenses			
Administrative fees	4,572	481	4,463
Amortization	50,000	59,138	39,114
Bank charges and interest	20,500	24,258	12,620
Cost of goods sold	428,600	506,990	344,715
Honoraria	-	3,961	945
Insurance	27,400	32,456	29,454
Office and miscellaneous	39,100	312,740	6,129
Professional fees	67,250	168,962	351,570
Property tax	4,200	4,939	4,516
Repairs and maintenance	30,500	36,059	127,706
Supplies and other	2,800	3,274	17,998
Telephone	13,900	16,500	15,994
Transportation	18,700	22,185	31,872
Travel and training	2,100	2,518	-
Utilities	161,600	191,256	151,545
Wages and benefits	307,000	364,814	298,209
	1,178,222	1,750,531	1,436,850
Surplus (deficit) before transfers	16,500	(220,695)	567,521
Transfers between programs	-	220,695	11,034
Surplus	16,500	-	578,555

Fort Nelson First Nation
Education
Schedule 6 - Consolidated Schedule of Revenue and Expenses
For the year ended March 31, 2023

	2023 Budget	2023	2022
Revenue			
Indigenous Services Canada	2,276,339	2,112,741	2,555,688
Province of British Columbia	1,227,228	1,235,649	1,087,111
First Nations Education Steering Committee	353,765	485,510	387,514
Other revenue	23,800	117,391	137,880
	3,881,132	3,951,291	4,168,193
Expenses			
Administrative fees	193,695	226,744	302,195
Amortization	-	258,826	394,080
Administration recoveries	-	(17,248)	-
Bank charges and interest	900	3,193	651
Honoraria	85,696	52,873	49,381
Insurance	33,600	35,711	37,207
Post secondary	388,845	305,161	329,309
Office and miscellaneous	-	117	2,274
Professional fees	322,074	268,724	308,578
Repairs and maintenance	223,800	156,721	143,235
Supplies and other	96,652	191,908	170,171
Wages and benefits	2,379,434	2,081,105	1,980,736
Nominal roll tuition fees	375,000	367,638	308,910
Student incentives	51,100	67,329	69,015
Transportation	300	4,580	1,453
Telephone	67,540	63,928	64,343
Travel and training	63,347	19,337	6,955
Utilities	68,600	61,186	78,648
	4,350,583	4,147,833	4,247,141
Deficit before transfers	(469,451)	(196,542)	(78,948)
Transfers between programs			
Other Programs	-	-	(403,900)
Transfer from other programs	500,249	-	-
Surplus (deficit)	30,798	(196,542)	(482,848)

Fort Nelson First Nation
Family & Community Services
Schedule 7 - Consolidated Schedule of Revenue and Expenses
For the year ended March 31, 2023

	2023 Budget	2023	2022
Revenue			
Indigenous Services Canada	507,910	320,170	424,926
Province of British Columbia	505,112	214,134	343,014
First Nations Health Authority	125,220	192,194	160,480
North East Native Advancing Agency	124,100	104,000	104,000
Other revenue	57,492	11,669	75,925
	1,319,834	842,167	1,108,345
Expenses			
Administrative fees	111,925	67,209	61,613
Amortization	30,219	26,115	30,234
Community programs	394,096	233,008	304,334
Furniture and equipment	2,500	2,810	22,491
Honoraria	3,200	-	2,620
Professional fees	190	2,395	20
Supplies and other	18,419	8,446	14,570
Telephone	22,985	27,503	14,884
Transportation	16,772	19,273	13,624
Travel and training	10,856	7,309	2,963
Utilities	7,200	12,976	10,153
Wages and benefits	757,762	449,726	663,718
	1,376,124	856,770	1,141,224
Deficit before transfers	(56,290)	(14,603)	(32,879)
Transfers between programs	34,564	1,437	1,510
Deficit	(21,726)	(13,166)	(31,369)

Fort Nelson First Nation
Health
Schedule 8 - Consolidated Schedule of Revenue and Expenses
For the year ended March 31, 2023

	2023 Budget	2023	2022
Revenue			
Indigenous Services Canada	7,727	-	6,174
Province of British Columbia	-	-	3,600
First Nations Health Authority	1,440,944	920,381	1,067,467
North East Native Advancing Agency	-	2,000	-
Other revenue	5,500	12,097	54,819
	1,454,171	934,478	1,132,060
Expenses			
Administrative fees	36,471	32,905	45,594
Amortization	238,283	245,782	238,364
Community programs	503,009	519,337	354,413
Furniture and equipment	4,904	-	1,542
Honoraria	249,600	227,084	211,672
Insurance	2,700	714	-
Professional fees	14,437	13,953	38,053
Supplies and other	35,978	34,070	40,003
Telephone	14,896	15,077	29,929
Transportation	39,373	22,660	22,305
Travel and training	29,500	4,399	5,034
Utilities	11,040	13,287	17,426
Wages and benefits	1,046,782	585,893	783,496
	2,226,973	1,715,161	1,787,831
Deficit before transfers	(772,802)	(780,683)	(655,771)
Transfers between programs	572,323	552,679	423,313
Deficit	(200,479)	(228,004)	(232,458)

Fort Nelson First Nation
Housing
Schedule 9 - Consolidated Schedule of Revenue and Expenses
For the year ended March 31, 2023

	2023 <i>Budget</i>	2023	2022
Revenue			
Indigenous Services Canada	-	72,612	-
Rental income	235,308	256,193	233,181
Interest income	-	15,144	2,257
Canada Mortgage and Housing Corporation	102,990	150,841	102,603
Other revenue	-	-	1,378
	338,298	494,790	339,419
Expenses			
Administration recoveries	-	(19,258)	-
Amortization	249,280	260,763	247,801
Furniture and equipment	6,000	2,677	4,573
Insurance	96,012	84,011	67,130
Interest on long-term debt	32,335	71,831	44,717
Office and miscellaneous	14,940	6,167	9,620
Professional fees	1,800	8,410	6,400
Repairs and maintenance	266,592	290,479	210,496
Telephone	2,340	926	785
Transportation	11,430	11,065	4,691
Travel and training	9,000	75,045	4,760
Utilities	87,170	80,839	70,761
Wages and benefits	262,716	276,588	211,993
	1,039,615	1,149,543	883,727
Deficit before transfers	(701,317)	(654,753)	(544,308)
Transfers between programs	595,838	545,086	447,237
Deficit	(105,479)	(109,667)	(97,071)

Fort Nelson First Nation
Justice
Schedule 10 - Consolidated Schedule of Revenue and Expenses
For the year ended March 31, 2023

	2023 <i>Budget</i>	2023	2022
Revenue			
Indigenous Services Canada	-	33,873	-
Province of British Columbia	78,965	81,253	79,799
Government of Canada	106,784	99,843	74,235
Other revenue	125,000	50,000	30,000
	310,749	264,969	184,034
Expenses			
Administrative fees	26,157	21,110	16,753
Amortization	13,100	-	3,426
Community programs	27,820	26,651	21,810
Furniture and equipment	7,988	3,090	2,907
Professional fees	-	2,500	-
Repairs and maintenance	-	-	9,667
Supplies and other	12,500	9,624	8,457
Telephone	26,386	6,427	6,889
Transportation	12,904	24,965	10,746
Travel and training	17,950	7,544	611
Utilities	3,000	3,585	3,721
Wages and benefits	469,937	430,424	281,751
	617,742	535,920	366,738
Deficit before transfers	(306,993)	(270,951)	(182,704)
Transfers between programs	293,892	267,020	182,215
Deficit	(13,101)	(3,931)	(489)

Fort Nelson First Nation
Lands Resources
Schedule 11 - Consolidated Schedule of Revenue and Expenses
For the year ended March 31, 2023

	2023 <i>Budget</i>	2023	2022
Revenue			
Indigenous Services Canada	146,421	74,772	96,289
Province of British Columbia	1,797,000	1,536,240	1,226,593
First Nations Health Authority	125,679	78,778	112,000
Government of Canada	543,737	568,475	398,536
Other revenue	1,936,501	1,741,873	992,557
	4,549,338	4,000,138	2,825,975
Expenses			
Administrative fees	874,490	230,953	174,596
Amortization	127,181	155,347	125,188
Community programs	20,000	10,244	9,947
Furniture and equipment	127,621	154,530	268,876
Honoraria	162,781	110,921	48,294
Meeting and conventions	30,867	10,458	7,390
Office and miscellaneous	-	10,391	9,789
Professional fees	1,741,676	1,754,761	771,234
Repairs and maintenance	4,527	4,993	3,300
Supplies and other	281,600	229,926	57,642
Telephone	76,571	43,947	26,938
Transportation	493,762	571,667	128,329
Travel and training	158,160	98,459	21,721
Utilities	11,340	6,476	6,315
Wages and benefits	1,497,273	1,020,476	900,157
	5,607,849	4,413,549	2,559,716
Surplus (deficit) before transfers	(1,058,511)	(413,411)	266,259
Transfers between programs	965,825	773,968	22,795
Surplus (deficit)	(92,686)	360,557	289,054

Fort Nelson First Nation
Other Investments
Schedule 12 - Consolidated Schedule of Revenue and Expenses
For the year ended March 31, 2023

	2023 Budget	2023	2022
Revenue			
Lease income	26,664	45,245	46,010
Royalties and dues	-	140,131	34,418
Interest income	140,000	308,945	186,215
Trust distributions	-	1,335,815	1,490,159
Income from portfolio investments	1,634,531	1,721,439	2,518,165
Deh Tai GP Ltd. income (loss)	(5,286,000)	(627,312)	412,377
Deh Tai Limited Partnership income (loss)	6,066,300	(339,963)	794,573
Waterways Communication Limited Partnership income	-	-	441
FNFN Forestry Limited Partnership income (loss)	-	(29,515)	152,043
	2,581,495	2,554,785	5,634,401
Expenses			
Bank charges and interest	347,924	193,726	141,321
Contribution to trust	-	1,335,815	1,490,159
Distribution to minors	240,000	260,000	240,000
	587,924	1,789,541	1,871,480
Surplus before transfers	1,993,571	765,244	3,762,921
Transfers between programs	-	35,233	28,906
Surplus	1,993,571	800,477	3,791,827

Fort Nelson First Nation
Social Services
Schedule 13 - Consolidated Schedule of Revenue and Expenses
For the year ended March 31, 2023

	2023 <i>Budget</i>	2023	2022
Revenue			
Indigenous Services Canada	539,035	618,368	694,019
Expenses			
Administrative fees	10,311	7,868	8,833
Amortization	-	12,475	9,804
Social services payments	370,748	458,051	414,474
Supplies and other (recovery)	2,434	(32)	74
Telephone	1,080	1,232	1,080
Transportation	15,600	6,122	6,906
Travel and training (recovery)	5,849	(1,064)	650
Wages and benefits	219,507	200,771	210,333
	625,529	685,423	652,154
Surplus (deficit) before transfers	(86,494)	(67,055)	41,865
Transfers between programs	88,593	56,617	(49,668)
Surplus (deficit)	2,099	(10,438)	(7,803)