

Consolidated Financial Statements of



And Independent Auditors' Report thereon  
Year ended March 31, 2022



## Table of Contents

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	<b>Page</b>
• Management Responsibility for the Consolidated Financial Statements	
• Independent Auditors' Report	
• Financial Statements of Takla Nation	
• Consolidated Statement of Financial Position	1
• Consolidated Statement of Operations	2
• Consolidated Statement of Changes in Net Financial Assets	3
• Consolidated Statement of Cash Flows	4
• Notes to Consolidated Financial Statements	5 - 29



## MANAGEMENT'S RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The accompanying consolidated financial statements of Takla Nation (the "Nation") are the responsibility of management and have been prepared in accordance with Canadian public sector accounting standards. A summary of the significant accounting policies are described in Note 1 to the consolidated financial statements. The preparation of consolidated financial statements necessarily involves the use of estimates based on management's judgment, particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods.

The Nation's management maintains a system of internal controls designed to provide reasonable assurance that assets are safeguarded, transactions are properly authorized and recorded in compliance with legislative and regulatory requirements, and reliable financial information is available on a timely basis for preparation of the consolidated financial statements. These systems are monitored and evaluated by management.

Chief and Council meet with management and the external auditors to review the consolidated financial statements and discuss any significant financial reporting or internal control matters prior to their approval of the consolidated financial statements.

The consolidated financial statements have been audited by KPMG LLP, independent external auditors appointed by the Nation. The accompanying Independent Auditors' Report outlines their responsibilities, the scope of their examination and their opinion on the Nation's consolidated financial statements.

  
\_\_\_\_\_  
Chief

  
\_\_\_\_\_  
General Manager Operations



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## INDEPENDENT AUDITORS' REPORT

To the Members of Takla Nation

### ***Opinion***

We have audited the consolidated financial statements of Takla Nation (the "Nation"), which comprise:

the consolidated statement of financial position as at March 31, 2022

the consolidated statement of operations for the year then ended

the consolidated statement of changes in net financial assets for the year then ended

the consolidated statement of cash flows for the year then ended

and notes to the consolidated financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the consolidated financial position of the Nation as at March 31, 2022 and its consolidated results of operations 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 "***Auditors' Responsibilities for the Audit of the Financial Statements***" section of our auditors' report.

We are independent of the Nation in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

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



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

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

### ***Auditors' Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 the 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 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 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 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 auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Nation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



Page 3

- 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

A handwritten signature in black ink that reads 'KPMG LLP'. The signature is written in a cursive, stylized font. Below the signature is a long, horizontal, slightly wavy line.

Chartered Professional Accountants

Prince George, Canada

November 8, 2022



# Consolidated Statement of Financial Position

March 31, 2022, with comparative information for 2021

	2022	2021
<b>Financial assets:</b>		
Cash	\$ 6,133,068	\$ 13,403,352
Accounts receivable (note 2)	4,978,115	4,287,468
Restricted cash (note 3)	231,438	182,486
Term deposits (note 4)	16,000,000	-
Investments in government business entities (note 5)	10,775,411	10,248,047
Ottawa Trust Fund (note 6)	37,270	34,693
	<b>\$ 38,155,302</b>	<b>\$ 28,156,046</b>
<b>Liabilities:</b>		
Accounts payable and accrued liabilities (note 7)	\$ 3,160,108	\$ 2,768,296
Deferred revenue (note 8)	3,756,947	1,958,617
Long-term debt (note 9)	2,267,321	2,192,340
Obligations under capital lease	28,395	61,204
Replacement reserves	265,022	231,076
	<b>9,477,793</b>	<b>7,211,533</b>
Net financial assets	<b>28,677,509</b>	<b>20,944,513</b>
<b>Non-financial assets:</b>		
Prepaid expenses	185,473	213,839
Tangible capital assets (note 10)	24,829,415	22,335,545
	<b>25,014,888</b>	<b>22,549,384</b>
Contingent liabilities (note 14)		
<b>Accumulated surplus</b>	<b>\$ 53,692,397</b>	<b>\$ 43,493,897</b>

See accompanying notes to consolidated financial statements.

On behalf of Chief and Council:

*Chief J. L. L.*

*Deputy Chief*



## Consolidated Statement of Operations

Year ended March 31, 2022, with comparative information for 2021

	2022 Budget	2022 Actual	2021 Actual
Revenue (note 13):			
Indigenous Services Canada	\$ 3,759,829	\$ 7,122,555	\$ 6,132,134
First Nations Health Authority	96,334	878,555	562,139
Canada Mortgage and Housing Corporation	316,760	3,930,758	166,559
Province of British Columbia	613,752	123,705	616,118
Other (note 12)	642,535	2,335,297	1,873,095
Ottawa Trust Funds (note 6)	-	2,577	2,274
Income from investments in government business entities (note 5)	-	48,018	4,042,556
Carrier Sekani Family Services	451,270	1,088,082	672,562
Carrier Sekani Tribal Council	8,475,759	3,063,712	11,240,848
First Nations Education Steering Committee	312,641	623,418	472,237
Own source	3,838,949	9,353,783	5,923,728
Change in deferred revenue	10,000	(1,798,330)	(1,120,285)
	18,517,829	26,772,130	30,583,965
Expenses (note 13):			
Administration	11,239,164	6,120,050	6,556,109
Community infrastructure	2,274,863	2,107,018	1,854,415
Economic development	2,726,756	2,840,855	2,909,308
Education and training	2,386,375	2,227,033	1,866,786
Health services	676,350	1,457,576	808,968
Social development	656,179	595,859	614,766
Capital	-	1,225,239	1,162,243
	19,959,687	16,573,630	15,772,595
Surplus	(1,441,858)	10,198,500	14,811,370
Accumulated surplus, beginning of year	43,493,897	43,493,897	28,682,527
Accumulated surplus, end of year	\$ 42,052,039	\$ 53,692,397	\$ 43,493,897

See accompanying notes to consolidated financial statements.





# Consolidated Statement of Changes in Net Financial Assets

Year ended March 31, 2022, with comparative information for 2021

	Budget	Total 2022	Total 2021
Annual surplus	\$ (1,441,858)	\$ 10,198,500	\$ 14,811,370
Acquisition of tangible capital assets	-	(3,579,238)	(743,185)
Amortization	-	1,085,368	996,458
Disposals of tangible capital assets	-	-	235,634
	(1,441,858)	(2,493,870)	488,907
Acquisition of prepaid expenses	-	(185,473)	(213,839)
Use of prepaid expenses	-	213,839	130,369
(Decrease) increase in net financial assets	(1,441,858)	7,732,996	15,216,807
Net financial assets, beginning of year	20,944,513	20,944,513	5,727,706
Net financial assets, end of year	\$ 19,502,655	\$ 28,677,509	\$ 20,944,513

See accompanying notes to consolidated financial statements.



## Consolidated Statement of Cash Flows

Year ended March 31, 2022, with comparative information for 2021

	2022	2021
Cash provided by (used in):		
Operations:		
Annual surplus	\$ 10,198,500	\$ 14,811,370
Items not involving cash:		
Amortization	1,085,368	996,458
Allocation to replacement reserve	27,270	26,478
Income from investments in government business entities	(48,018)	(4,042,556)
Ottawa Trust Funds	(2,577)	(2,274)
Loss on disposal of tangible capital assets	-	235,634
	11,260,543	12,025,110
Changes in non-cash operating working capital:		
Accounts receivable	(690,647)	3,427,857
Restricted cash	(48,952)	(317)
Accounts payable and accrued liabilities	391,812	218,986
Deferred revenue	1,798,330	1,120,285
Prepaid expenses	28,366	(83,470)
	12,739,452	16,708,451
Financing:		
Repayment of long-term debt	(195,911)	(223,375)
Payment of obligations under capital lease	(32,809)	(31,482)
Proceeds on long-term debt	270,892	-
	42,172	(254,857)
Investing:		
Purchase of tangible capital assets	(3,579,238)	(743,185)
Advances to government business entities	(479,346)	(2,936,636)
Replacement reserves	6,676	16,785
Term deposits	(16,000,000)	-
	(20,051,908)	(3,663,036)
(Decrease) increase in cash	(7,270,284)	12,790,558
Cash, beginning of year	13,403,352	612,794
Cash, end of year	\$ 6,133,068	\$ 13,403,352

See accompanying notes to consolidated financial statements.



## Notes to Consolidated Financial Statements

Year ended March 31, 2022

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### **Nature of operations:**

Takla Nation (the "Nation") provides local government, education and training, health services and social development services to its members and was established under the Indian Act (Canada).

### **1. Significant accounting policies:**

These consolidated financial statements include the assets, liabilities, and results of operations of the Nation and all related entities and organizations subject to control by or responsibility of Chief and Council. No inclusion has been made of assets, liabilities, revenues or expenses of Nation members, individually or collectively, incorporated or unincorporated, that are not controlled by or the responsibility of Chief and Council.

These consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles for local government, as established by the Public Sector Accounting Board. The Nation's significant accounting policies are as follows:

#### **(a) Reporting entity and principles of consolidation:**

The Nation reporting entity includes the Takla Nation government and all related entities which are either owned or controlled by the Nation.

All controlled entities are fully consolidated except for the commercial enterprises which meet the definition of a government business enterprise or government business partnership, which are included in these consolidated financial statements on a modified equity basis. Inter-entity balances and transactions are eliminated upon consolidation.

Under the modified equity method of accounting, only the Nation's investment in the government business enterprise or government business partnership and their share of the entities net income and other changes in equity are recorded. No adjustments are made for accounting policies of the entities that are different from those of the Nation.



Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2022

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**1. Significant accounting policies (continued):**

(a) Reporting entity and principles of consolidation (continued):

Government business entities which are partially or wholly-owned by the Nation and which are not dependent on the Nation for their continuing operations, included in the consolidated financial statements using the modified equity method are as follows:

- Takla Development Corporation
- Sasuchan Development Corporation
- Takla Lake Limited Partnership
- Takla Master Limited Partnership
- Tse Keh Nay LLP

(b) Cash and cash equivalents:

Cash and cash equivalents consist of cash, bank overdrafts and investments in money market or other short-term instruments or investments with a maturity of less than 90 days from their date of acquisition which are readily convertible into a known amount of cash.

(c) Financial instruments:

Financial instruments originating in a non-arms length transaction are recorded at fair value on initial recognition. Freestanding derivative instruments that are not in a qualifying hedging relationship and equity instruments that are quoted in an active market are subsequently measured at fair value. All other financial instruments are subsequently recorded at cost or amortized cost, unless management has elected to carry the instruments at fair value. The Nation has not elected to carry any such financial instruments at fair value.



Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2022

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**1. Significant accounting policies (continued):**

(c) Financial instruments (continued):

Transaction costs incurred on the acquisition of financial instruments measured subsequently at fair value are expensed as incurred. All other financial instruments are adjusted by transaction costs incurred on acquisition and financing costs, which are amortized using the effective interest rate method.

Financial assets are assessed for impairment on an annual basis at the end of the fiscal year if there are indicators of impairment. If there is an indicator of impairment, the Nation determines if there is a significant adverse change in the expected amount or timing of future cash flows from the financial asset. If there is a significant adverse change in the expected cash flows, the carrying value of the financial asset is reduced to the highest of the present value of the expected cash flows, the amount that could be realized from selling the financial asset or the amount the Nation expects to realize by exercising its right to any collateral. If events and circumstances reverse in a future year, an impairment loss will be reversed to the extent of the improvement, not exceeding the initial carrying value.

(d) Non-financial assets:

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



Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2022

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**1. Significant accounting policies (continued):**

(e) Tangible capital assets:

Tangible capital assets are stated at cost, less accumulated amortization. Cost includes all costs directly attributable to acquisition or construction of the tangible capital asset including transportation costs, installation costs, design and engineering fees, legal fees and site preparation costs. Contributed tangible capital assets are recorded at fair value at the time of the donation with a corresponding amount recorded as revenue. Tangible capital assets under construction are not amortized until the asset is available for use.

Amortization is provided using the declining balance method and following annual rates:

Asset	Rate
Automotive equipment	30%
Buildings and infrastructure	4%
Capital leases	30%
Computer equipment	30%
Equipment	20%
Housing	4%
Water Plant	4%
Waste disposal system	4%

Amortization of leasehold improvements is recorded over the remaining term of the lease plus the first renewal option.

When management determines that a tangible capital asset no longer contributes to the Nation's ability to provide goods and services or that the value of the future benefits associated with the tangible capital asset is less than its net book value, the cost of the tangible capital asset is written down.

Certain assets which have historical or cultural value, including works of art, historical documents and historical and cultural artifacts, are not recognized as tangible capital assets.



Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2022

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**1. Significant accounting policies (continued):**

(f) Revenue recognition:

Government transfers and grant revenue are recognized as the Nation becomes entitled to the funding under the terms of applicable funding agreements and are recorded in the period in which the resources are used for the purpose specified in the agreements. Restricted funding received which relates to a subsequent fiscal period or pursuant to agreements in which the specific project or program is not yet completed are reported as deferred revenue until the resources are used for the purpose or purposes specified.

Other revenue, including interest, rent and own source are recognized in the period the services are provided and the related proceeds are received or receivable.

(g) Funding recoveries and reimbursements:

Funding received from government sources in the form of conditional transfer payments are subject to recovery, by the Crown, of unexpended balances or unallowable expenses. The Crown may also reimburse over expenditures upon determining adherence to the terms and conditions of payment for a specific purpose. Recoveries and reimbursements are accounted for when they are paid or payable or received or receivable.

(h) Allocation of expenses:

Management records a number of its expenses by program. The cost of each program includes the personnel, premises and other expenses that are directly related to providing the program.

Management allocates certain of its general support expenses by identifying the appropriate basis of allocating each expenses.



Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2022

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**1. Significant accounting policies (continued):**

(i) Contaminated sites:

Contaminated sites are defined as the result of contamination being introduced in air, soil, water or sediment of a chemical, organic, or radioactive material or live organism that exceeds an environmental standard.

A liability for remediation of contaminated sites is recognized, net of any expected recoveries, when all of the following criteria are met:

- (a) an environmental standard exists,
- (b) contamination exceeds the environmental standard,
- (c) the organization is directly responsible or accepts responsibility for the liability,
- (d) future economic benefits will be given up, and
- (e) a reasonable estimate of the liability can be made.

(j) Use of estimates:

The preparation of the 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 financial statements and the reported amounts of revenue and expenses during the year. Items subject to such estimates and assumptions include the carrying amounts of tangible capital assets; provisions for impairment of accounts receivable; and accrued liabilities. Actual results could differ from those estimates.





Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2022

**2. Accounts receivable:**

	2022	2021
Indigenous Services Canada	\$ 873,651	\$ 189,469
Canada Mortgage and Housing Corporation	6,825	-
Carrier Sekani Family Services	755,612	-
Carrier Sekani Tribal Council	53,641	1,432,924
Government of Canada	657,671	-
Province of British Columbia	-	67,500
Trade receivables	2,544,287	2,590,824
Employee receivables	39,695	6,751
Prince George Nechako Aboriginal Employment & Training Association	46,733	-
	<b>\$ 4,978,115</b>	<b>\$ 4,287,468</b>

**3. Restricted cash:**

	2022	2021
Funded replacement reserve	\$ 130,417	\$ 90,264
Funded operations reserve	101,021	92,222
	<b>\$ 231,438</b>	<b>\$ 182,486</b>

Replacement reserve:

Under the terms of the agreement with Canada Mortgage and Housing Corporation ("CMHC"), the Nation must set aside funds in the amount of \$27,270 plus interest; consisting of \$5,920 for Phase I operations, \$11,840 for Phase II operations, and \$9,510 for Phase III operations. These funds, along with accumulated interest, must be held in a separate bank account and/or invested on in accounts or instruments insured by the Canada Deposit Insurance Corporation or as may otherwise be approved by CMHC. Withdrawals are credited to interest first and then principal.



Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2022

**3. Restricted cash (continued):**

Operations reserve:

Under the terms of the agreement with CMHC, after the payment of all costs and expenditures, including the allocation to the replacement reserve, any surplus revenue from Phase I and/or Phase II will be retained by the program within an operations reserve fund. The program's operations reserve fund may only be used for the on-going operating costs of Phase I and Phase II as committed under the 1997 On-Reserve program. Accordingly, future years' deficits may be recovered from the operations reserve bank. These funds, along with accumulated interest, must be held in a separate bank account and/or invested only in accounts or instruments insured by the Canada Deposit Insurance Corporation, or as may otherwise be mutually agreed to by the Nation and CMHC.

**4. Term deposits:**

Term deposits are comprised of guaranteed investment certificates cashable as follows:

	2022	2021
Cashable June 1, 2022, interest at 0.45%	\$ 3,000,000	\$ -
Expires June 1, 2022, interest at 0.45%	3,000,000	-
Expires June 1, 2022, interest at 0.45%	3,000,000	-
Expires June 1, 2022, interest at 0.45%	3,000,000	-
Expires June 1, 2022, interest at 0.45%	3,000,000	-
Expires January 10, 2023, interest at 1.00%	500,000	-
Expires January 10, 2023, interest at 1.00%	500,000	-
	<b>\$ 16,000,000</b>	<b>\$ -</b>

Term deposits in the amount of \$1,000,000 included above expiring on January 10, 2023 were invested as security for the Nation's dividends payable to minors in the amount of \$728,000 (2021 - \$812,000) (note 7).



Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2022

**5. Investments in government business entities:**

	Investments	Advances	2022	2021
Takla Development Corporation	\$ (4,238,021)	\$ 5,791,984	\$ 1,553,963	\$ 920,279
Takla Lake Limited Partnership	-	(5,862)	(5,862)	9,544,574
Takla Master Limited Partnership	9,334,258	-	9,334,258	-
Sasuchan Development Corporation	(368,021)	-	(368,021)	(290,253)
Tse Keh Nay LLP	261,073	-	261,073	73,447
	\$ 4,989,289	\$ 5,786,122	\$ 10,775,411	\$ 10,248,047

The Nation's share of the gain (loss) in its equity accounted investees for the year was:

	2022
Takla Development Corporation	\$ 133,585
Takla Master Limited Partnership	(228,425)
Sasuchan Development Corporation	(77,768)
Tse Keh Nay LLP	220,626
	\$ 48,018



Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2022

**5. Investments in government business entities (continued):**

	2022	2021
<b>Takla Development Corporation (100%):</b>		
Financial position:		
Assets	\$ 2,251,908	\$ 1,794,536
Liabilities	6,489,929	6,155,593
Deficiency	4,238,021	4,361,057
Results of operation:		
Revenues	644,360	183,682
Expenses	521,324	582,350
Profit (loss) and comprehensive income (loss)	123,036	(398,668)
<b>Tse Keh Nay LLP (33.33%):</b>		
Financial position:		
Assets	\$ 821,023	\$ 226,678
Liabilities	35,865	4,399
Equity	785,158	222,279
Results of operations:		
Revenues	687,705	237,813
Expenses	25,826	40,594
Profit and comprehensive income	661,879	197,219
Nation portion	220,626	65,740



Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2022

**5. Investments in government business entities (continued):**

	2022	2021
<b>Sasuchan Development Corporation (100%):</b>		
Financial position:		
Assets	\$ 22,874	\$ 15,916
Liabilities	390,895	306,169
Deficit	368,021	290,253
Results of operations:		
Revenues	601	4,487
Expenses	78,369	86,809
Loss and comprehensive loss	(77,768)	(82,322)
<b>Takla Lake Limited Partnership (partnership units transferred to Takla Master Limited Partnership):</b>		
Financial position:		
Assets	\$ -	\$ 10,589,227
Liabilities	-	1,301,171
Equity	-	9,558,056
Results of operation:		
Revenues	-	13,105,145
Expenses	-	8,657,227
Profit and comprehensive income	-	4,447,917
Nation portions	-	4,443,470
<b>Takla Master Limited Partnership (99.90%):</b>		
Financial position:		
Assets	\$ 9,596,906	\$ -
Liabilities	262,876	-
Equity	9,334,030	-
Results of operation:		
Expenses	228,653	-
Loss and comprehensive loss	(228,653)	-
Nation portion	(228,425)	-



Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2022

**5. Investments in government business entities (continued):**

Shares and partnership units are held by the Nation, as represented by Chief and Council, on behalf of and for the benefit of the Takla Nation membership.

Takla Development Corporation was actively involved in logging and is therefore performing silviculture responsibilities. Advances due from Takla Development Corporation are unsecured, non-interest bearing and with no scheduled terms of repayment.

During the year the partnership units held in Takla Lake Limited Partnership were transferred to Takla Master Limited Partnership in exchange for the equivalent units of Takla Master Limited Partnership.

**6. Ottawa Trust Fund:**

		Revenue	Capital	2022	2021
Balance, beginning of year	\$	32,076	\$ 2,617	\$ 34,693	\$ 32,419
Interest		2,577	-	2,577	2,274
	\$	34,653	\$ 2,617	\$ 37,270	\$ 34,693

The Ottawa Trust Funds arise from monies 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 and 69 of the "Indian Act".



Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2022

**7. Accounts payable and accrued liabilities:**

	2022	2021
Trade payables	\$ 608,604	\$ 534,315
Accrued wages and payroll deductions payable	422,727	375,487
Pension plan contributions payable	43,039	89,730
Worksafe British Columbia	11,260	11,466
Sales taxes payable	638,686	403,346
Dividends payable - minors	728,000	812,000
Other accrued liabilities	707,792	541,952
	<b>\$ 3,160,108</b>	<b>\$ 2,768,296</b>

The Nation has a defined contribution pension plan for eligible members of its staff. Members can contribute up to a maximum of 5.5% of their salary and the Nation matches the member's contributions. The amount of retirement benefits to be received by the members will be the amount of retirement annuity that could be purchased based on the member's share of the pension plan at the time of the member's withdrawal from the plan. During the year, the Nation contributed \$217,768 (2021 - \$195,583) for retirement benefits.



Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2022

**8. Deferred revenue:**

	2022	2021
Indigenous Services Canada - ACRS ICM#9	\$ -	\$ 42,271
Indigenous Services Canada - forestry stewardship	-	174,729
Indigenous Services Canada - conservation program	-	63,233
Indigenous Services Canada - community plan	-	23,475
Indigenous Services Canada - emergency repairs at school	-	42,419
Indigenous Services Canada - systems and data MMP	-	44,728
Canada Mortgage and Housing Corporation	2,773,260	-
Carrier Sekani Family Services - core/community fund	103,805	166,509
Carrier Sekani Family Services - patient transport/helipad	18,142	79,409
Prince George Nechako Aboriginal Employment and Training Association	-	75,490
NRT - community engagement LUP	-	5,000
Insurance proceeds	167,442	292,096
Province of British Columbia - Playground/Trail	419,813	470,800
First Nations Health Authority - AHSOR Land Virtual Wellness	-	37,894
First Nations Health Authority - Community Wellness	-	30,000
First Nations Health Authority - AHSOR Expansion	69,746	-
First Nations Health Authority - Harm Reduction	50,000	-
CRE Youth Grant	-	12,369
Public Safety Canada - youth diversion	-	398,195
Union of BC Municipalities	74,904	-
First Nations Summit Society	66,250	-
BC Healthy Communities	13,585	-
	\$ 3,756,947	\$ 1,958,617





Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2022

**9. Long-term debt:**

	2022	2021
Mortgage repayable in monthly instalments of \$4,193 including interest at 2.21% per annum, secured by a Government of Canada ministerial guarantee, renewal due February 2024.	\$ 710,044	\$ 744,323
Mortgage repayable in monthly instalments of \$3,228 including interest at 2.21% per annum, secured by a Government of Canada ministerial guarantee, renewal due February 2024.	546,716	573,110
Mortgage repayable in monthly instalments of \$2,208 including interest at 0.80% per annum, secured by a Government of Canada ministerial guarantee, renewal due May 2025.	562,610	584,516
Term demand loan repayable in monthly instalments of \$4,800 including interest at 3.57% per annum, secured by a Government of Canada ministerial guarantee, due August 2023.	79,657	133,355
Term demand loan repayable in monthly instalments of \$4,912 including interest at 3.57% per annum, secured by a Government of Canada ministerial guarantee, due August 2023.	81,530	136,489
Term demand loan repayable in monthly instalments of \$390 plus interest at 3.95% (prime plus 1.25%) per annum, secured by tangible capital assets with a net book value of \$39,645, due September 2022.	15,872	20,547
Construction loan, repayable after interest adjustment date estimated at September 1, 2022, currently carrying interest at 0.65% per annum, secured by a Government of Canada ministerial guarantee.	270,892	-
	<b>\$ 2,267,321</b>	<b>\$ 2,192,340</b>



Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2022

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**9. Long-term debt (continued):**

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Provided the lenders do not demand repayment of the loans in full, principal repayments over the next five years are due as follows:

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2023	\$	483,369
2024		134,115
2025		87,137
2026		88,762
2027		90,420
Thereafter		1,383,518
		<hr/>
		\$ 2,267,321

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Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2022

10. Tangible capital assets:

	2022										
	Automotive equipment	Buildings and infrastructure	Capital leases	Computer equipment	Construction in progress	Equipment	Housing	Leasehold improvements	Water plant	Waste disposal system	Total
<b>Cost:</b>											
Balance, beginning of year	\$ 881,755	\$ 13,627,184	\$ 156,600	\$ 31,158	\$ 138,042	\$ 564,033	\$ 12,933,058	\$ 240,000	\$ 4,297,464	\$ 3,762,902	\$ 36,632,196
Additions	495,129	1,057,450	-	-	1,806,350	220,309	-	-	-	-	3,579,238
Transfers	-	(130,186)	-	-	130,186	-	-	-	-	-	-
Balance, end of year	1,376,884	14,554,448	156,600	31,158	2,074,578	784,342	12,933,058	240,000	4,297,464	3,762,902	40,211,434
<b>Accumulated amortization:</b>											
Balance, beginning of year	492,442	5,015,986	18,050	31,136	-	379,678	4,984,930	-	1,963,897	1,410,532	14,296,651
Amortization expenses	190,559	320,194	7,181	12	-	61,244	294,741	24,000	93,343	94,094	1,085,368
Balance, end of year	683,001	5,336,180	25,231	31,148	-	440,922	5,279,671	24,000	2,057,240	1,504,626	15,382,019
Net book value, end of year	\$ 693,883	\$ 9,218,268	\$ 131,369	\$ 10	\$ 2,074,578	\$ 343,420	\$ 7,653,387	216,000	\$ 2,240,224	\$ 2,258,276	\$ 24,829,415



Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2022

10. Tangible capital assets (continued):

	2021											
	Automotive equipment	Buildings and infrastructure	Capital leases	Computer equipment	Construction in progress	Equipment	Housing	Leasehold improvements	Water plant	Waste disposal system	Total	
<b>Cost:</b>												
Balance, beginning of year	\$ 704,861	\$ 13,389,735	\$ 205,800	\$ 41,038	\$ -	\$ 564,033	\$ 13,169,169	\$ -	\$ 4,297,464	\$ 3,762,902	\$ 36,135,002	
Additions	127,694	237,449	-	-	138,042	-	-	240,000	-	-	743,185	
Disposals	-	-	-	(9,880)	-	-	(236,111)	-	-	-	(245,991)	
Transfers	49,200	-	(49,200)	-	-	-	-	-	-	-	-	
Balance, end of year	881,755	13,627,184	156,600	31,158	138,042	564,033	12,933,058	240,000	4,297,464	3,762,902	36,632,196	
<b>Accumulated amortization:</b>												
Balance, beginning of year	326,137	4,710,018	41,120	31,110	-	324,048	4,698,935	-	1,866,665	1,312,517	13,310,550	
Amortization expenses	139,485	311,980	5,773	26	-	47,595	296,352	-	97,232	98,015	996,458	
Disposals	-	-	-	-	-	-	(10,357)	-	-	-	(10,357)	
Transfers	26,820	(6,012)	(28,843)	-	-	8,035	-	-	-	-	-	
Balance, end of year	492,442	5,015,986	18,050	31,136	-	379,678	4,984,930	-	1,963,897	1,410,532	14,296,651	
Net book value, end of year	\$ 389,313	\$ 8,611,198	\$ 138,550	\$ 22	\$ 138,042	\$ 184,355	\$ 7,948,128	\$ 240,000	\$ 2,333,567	\$ 2,352,370	\$ 22,335,545	



Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2022

**11. Related party transactions:**

In the normal course of operations, the Nation participated in transactions with related parties measured at the exchange amount as determined and agreed to by the related parties.

**12. Other revenue:**

	2022	2021
Government of Canada - Public Safety	\$ 626,969	\$ 723,620
BC First Nations Gaming Revenue Sharing Limited Partnership	402,244	702,941
Environment and Climate Change Canada	207,021	-
Prince George Nechako Aboriginal Employment and Training Association	192,605	133,475
Union of BC Municipalities	170,570	104,949
Northern Development Initiative Trust	113,107	-
Miscellaneous	622,781	208,110
	<b>\$ 2,335,297</b>	<b>\$ 1,873,095</b>



Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2022

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**13. Segmented information:**

The Nation provides a range of services to its members. For management reporting purposes, operations and activities are organized and reported by function and department. For each segment separately reported, the segment revenue and expenditure represent both amounts that are directly attributable to the segment and amounts that are allocated on a reasonable basis. The presentation by segment is based on the same accounting policies as described in the summary of significant accounting policies in note 1. The segments and services provided are as follows:

Administration - provides governance initiatives and training through the activities of Chief and Council and administration of other activities relating to program delivery, membership and finance;

Community infrastructure - manages community and facilities operations and maintenance including capital projects, municipal services, water and waste water operations, roads, fire protection, housing and maintenance of community buildings;

Economic development - manages the development of economic opportunities from the land and natural resources for the Nation and its entities;

Education and training - provides elementary and secondary education instructional services and provides financial support to post secondary students as well provides training and work opportunities for Nation members to improve their job skills and participate effectively in the labour market;

Health services - provides a variety of health care programs, services and support to Nation members;

Social development - provides programs and services for the social benefit and welfare of Nation members.



Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2022

**13. Segmented information (continued):**

	2022								
	Administration	Community infrastructure	Economic development	Education and training	Health services	Social development	Investment in government business entities	Capital	Total
<b>Revenue:</b>									
Indigenous Service Canada	\$ 1,326,221	\$ 1,458,737	\$ 86,236	\$ 2,801,494	\$ -	\$ 877,799	\$ -	\$ 572,068	\$ 7,122,555
First Nations Health Authority	56,000	24,211	98,000	-	544,177	-	-	156,167	878,555
Canada Mortgage and Housing Corporation	-	171,478	-	-	-	-	-	3,759,280	3,930,758
Province of British Columbia	24,972	-	8,000	-	90,733	-	-	-	123,705
Other	1,314,440	18,760	394,004	267,605	340,488	-	-	-	2,335,297
Ottawa trust funds	2,577	-	-	-	-	-	-	-	2,577
Income from investments in government business entities	-	-	-	-	-	-	48,018	-	48,018
Carrier Sekani Family Services	2,000	-	-	-	1,086,082	-	-	-	1,088,082
Carrier Sekani Tribal Council	2,956,421	-	107,291	-	-	-	-	-	3,063,712
First Nations Education Steering Committee	-	-	-	623,418	-	-	-	-	623,418
Own Source	364,426	235,130	8,707,722	35,234	11,271	-	-	-	9,353,783
Change in deferred revenue	410,122	63,233	179,730	75,490	62,030	-	-	(2,588,935)	(1,798,330)
Total revenue	6,457,179	1,971,549	9,580,983	3,803,241	2,134,781	877,799	48,018	1,898,580	26,772,130



Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2022

**13. Segmented information (continued):**

	2022								
	Administration	Community infrastructure	Economic development	Education and training	Health services	Social development	Investment in government business entities	Capital	Total
<b>Expenses:</b>									
Amortization	-	-	-	-	-	-	-	1,085,368	1,085,368
Consulting and contract	65,220	188,583	17,176	-	6,917	-	-	1,281	279,177
Equipment purchases	15,713	27,147	20,669	-	-	-	-	-	63,529
Honoraria	40,850	-	4,500	6,167	31,150	-	-	-	82,667
Materials and supplies	310,188	102,623	41,255	134,180	104,941	755	-	1,026	694,968
Meetings	108,088	13	10,343	10,612	15,503	-	-	-	144,559
Professional fees	1,348,327	107,819	842,931	10,808	15,912	-	-	94,136	2,419,933
Rent	124,419	4,500	28,394	13,750	3,500	-	-	-	174,563
Telephone and utilities	73,313	88,344	24,158	73,406	20,962	1,230	-	-	281,413
Travel and accommodations	398,373	50,502	123,612	531,409	110,011	3,972	-	7,272	1,225,151
Wages and benefits	2,752,405	648,757	998,225	1,074,547	744,656	41,462	-	-	6,260,052
Workshops and training	45,500	1,415	6,603	40,570	9,126	-	-	-	103,214
Other	837,654	887,315	722,989	331,584	394,898	548,440	-	36,156	3,759,036
Total expenses	6,120,050	2,107,018	2,840,855	2,227,033	1,457,576	595,859	-	1,225,239	16,573,630
Revenue over expenditures	337,129	(135,469)	6,740,128	1,576,208	677,205	281,940	48,018	673,341	10,198,500
Administration recovery (fee)	1,171,490	(22,501)	(876,752)	(84,410)	(172,942)	(10,580)	-	(4,305)	-
Surplus (deficit)	\$ 1,508,619	\$ (157,970)	\$ 5,863,376	\$ 1,491,798	\$ 504,263	\$ 271,360	\$ 48,018	\$ 669,036	\$ 10,198,500





Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2022

**13. Segmented information (continued):**

	2021								
	Administration	Community infrastructure	Economic development	Education and training	Health services	Social development	Investment in government business entities	Capital	Total
<b>Revenue:</b>									
Indigenous Service Canada	\$ 1,921,326	\$ 1,660,185	\$ 172,309	\$ 1,712,608	\$ -	\$ 518,775	\$ -	\$ 146,931	\$ 6,132,134
First Nations Health Authority	66,638	23,211	-	-	472,290	-	-	-	562,139
Canada Mortgage and Housing Corporation	-	166,559	-	-	-	-	-	-	166,559
Province of British Columbia	487,003	-	31,950	-	97,165	-	-	-	616,118
Other	1,468,054	124,366	103,705	133,475	43,495	-	-	-	1,873,095
Ottawa trust funds	2,274	-	-	-	-	-	-	-	2,274
Income from investments in government business entities	-	-	-	-	-	-	4,042,556	-	4,042,556
Carrier Sekani Family Services	9,000	-	-	-	663,562	-	-	-	672,562
Carrier Sekani Tribal Council	11,100,848	-	140,000	-	-	-	-	-	11,240,848
First Nations Education Steering Committee	-	-	-	472,237	-	-	-	-	472,237
Own Source	381,293	153,199	5,346,034	15,797	26,330	1,075	-	-	5,923,728
Change in deferred revenue	(855,140)	(63,233)	(89,775)	(23,648)	(313,813)	-	-	225,324	(1,120,285)
Total revenue	14,581,296	2,064,287	5,704,223	2,310,469	989,029	519,850	4,042,556	372,255	30,583,965



Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2022

**13. Segmented information (continued):**

	2021								
	Administration	Community infrastructure	Economic development	Education and training	Health services	Social development	Investment in government business entities	Capital	Total
<b>Expenses:</b>									
Amortization	-	-	-	-	-	-	-	996,458	996,458
Consulting and contract	59,885	92,400	108,543	-	74,332	-	-	-	335,160
Equipment purchases	14,219	12,463	12,435	-	2,357	-	-	-	41,474
Honoraria	18,310	-	850	300	-	-	-	-	19,460
Materials and supplies	362,066	65,710	58,780	59,084	64,001	4,882	-	-	614,523
Meetings	48,512	-	9,247	264	2,732	-	-	-	60,755
Professional fees	466,855	46,723	794,106	70	1,327	-	-	32,511	1,341,592
Rent	114,686	10,400	49,264	1,750	15,300	-	-	-	191,400
Telephone and utilities	95,012	78,859	10,324	48,857	23,522	3,344	-	-	259,918
Travel and accommodations	204,817	36,841	133,021	515,977	44,300	3,417	-	7,484	945,857
Wages and benefits	2,818,468	498,425	1,079,502	869,004	447,512	95,537	-	-	5,808,448
Workshops and training	35,507	819	475	51,116	10,097	-	-	-	98,014
Other	2,317,772	1,011,775	652,761	320,364	123,488	507,586	-	125,790	5,059,536
Total expenses	6,556,109	1,854,415	2,909,308	1,866,786	808,968	614,766	-	1,162,243	15,772,595
Revenue over expenditures	8,025,187	209,872	2,794,915	443,683	180,061	(94,916)	4,042,556	(789,988)	14,811,370
Administration recovery (fee)	688,776	(9,855)	(524,090)	(56,427)	(97,404)	(1,000)	-	-	-
Surplus (deficit)	\$ 8,713,963	\$ 200,017	\$ 2,270,825	\$ 387,256	\$ 82,657	\$ (95,916)	\$ 4,042,556	\$ (789,988)	\$ 14,811,370



Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2022

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**14. Contingent liabilities:**

The Nation has entered into contribution agreements with various government agencies. Funding received under these contribution agreements is subject to repayment if the Nation fails to comply with the terms and conditions of the agreements.

The Nation is contingently liable for a Nation member mortgage secured by a Government of Canada Ministerial guarantee. As at March 31, 2022, the maximum liability would be \$10,152.

In addition, in the normal course of operations, the Nation may become involved in legal actions. Some of these potential liabilities may become actual liabilities when one or more future event occur or fail to occur. To the extent that the future event is likely to occur and a reasonable estimate of the loss can be made, an estimated liability is accrued and an expense recorded in the financial statements. As at March 31, 2022, there are no claims outstanding.

**15. Financial risks and concentration of risk:**

The Nation as part of its operations carries a number of financial instruments. It is management's opinion that the Nation is not exposed to significant currency or credit risks unless otherwise noted.

(a) Liquidity risk:

Liquidity risk is the risk that the Nation will be unable to fulfill its obligations on a timely basis or at a reasonable cost. The Nation manages its liquidity risk by monitoring its operating requirements. There has been no change to the Nation's liquidity risk exposure from 2021.

(b) Interest rate risk:

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. Financial assets and financial liabilities with variable interest rates expose the Nation to cash flow interest rate risk. The Nation is exposed to this risk through its interest on the long-term debt. There has been no change to the Nation's interest rate risk exposure from 2021.

**16. Comparative information:**

The consolidated financial statements have been reclassified, where applicable, to conform to the presentation used in the current year. The changes do not affect prior year annual surplus.