

Consolidated Financial Statements of

## **NADLEH WHUT'EN INDIAN BAND**

And Independent Auditors' Report thereon

Year ended March 31, 2021

# NADLEH WHUT'EN INDIAN BAND

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## **MANAGEMENT'S RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS**

The accompanying consolidated financial statements of Nadleh Whut'en Indian Band (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.

  
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Chief Councillor: Damien Ketlo

  
\_\_\_\_\_  
Finance Officer



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## INDEPENDENT AUDITORS' REPORT

To the Members of Nadleh Whut'en Indian Band

### ***Opinion***

We have audited the consolidated financial statements of Nadleh Whut'en Indian Band (the Entity), which comprise:

- the consolidated statement of financial position as at March 31, 2021
- the consolidated statement of earnings for the year then ended
- the consolidated statement of changes in net debt 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 Entity as at March 31, 2021 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 Entity 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.

### ***Other Matter - Comparative Information***

The consolidated financial statements for the year ended March 31, 2020 were audited by another auditor who expressed an unmodified opinion on those financial statements on July 14, 2020.

### ***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 Entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity'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 Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.



- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our 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 Entity 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.
- 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 Entity 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 style and is underlined with a single horizontal line.

Chartered Professional Accountants

Prince George, Canada

September 23, 2021

# NADLEH WHUT'EN INDIAN BAND

## Consolidated Statement of Financial Position

March 31, 2021, with comparative information for 2020

	2021	2020
<b>Financial assets:</b>		
Cash (note 2)	\$ 5,879,751	\$ 1,335,256
Accounts receivable (note 3)	1,969,938	2,953,255
Sales taxes receivable	3,907	28,278
Portfolio investments (note 4)	129,608	127,401
Inventory held for sale (note 5)	37,770	30,944
Ottawa Trust Fund (note 6)	1,427,811	1,375,044
Investments in government business entities (note 9)	213,204	9,334
	\$ 9,661,989	\$ 5,859,512
<b>Liabilities:</b>		
Bank indebtedness (note 8)	1,089,647	1,057,863
Accounts payable and accrued liabilities (note 7)	384,805	343,676
Due to government agencies (note 10)	28,457	34,787
Due from related parties (note 11)	10,024	10,000
Deferred revenue (note 12)	629,866	808,507
Long-term debt (note 13)	11,182,457	11,616,310
	13,325,256	13,871,143
Net debt	(3,663,267)	(8,011,631)
<b>Non-financial assets:</b>		
Tangible capital assets (note 14)	26,896,763	26,587,345
Prepaid expenses	33,603	55,044
	26,930,366	26,642,389
Accumulated surplus	\$ 23,267,099	\$ 18,630,758

See accompanying notes to consolidated financial statements.

On behalf of the Chief and Council



# NADLEH WHUT'EN INDIAN BAND

## Consolidated Statement of Earnings

Year ended March 31, 2021, with comparative information for 2020

	2021	2020
<b>Revenue (note 19):</b>		
Indigenous Services Canada (note 15)	\$ 7,511,016	\$ 2,402,714
Interest income	42,119	62,041
Other income	251,698	279,412
Other aboriginal groups	1,603,884	1,071,919
Own source	3,344,291	3,147,822
Province of British Columbia	3,451,349	2,850,070
Trust fund income	152,399	497,027
	16,356,756	10,311,005
<b>Expenses (note 19):</b>		
Administration	1,769,063	1,712,538
Capital	4,595,227	2,613,896
Community Services	1,382,557	687,889
Economic Development	2,644,403	2,354,853
Education	1,028,085	1,282,612
Housing	176,208	119,363
Social services	486,325	519,865
	12,081,868	9,291,016
<b>Surplus before other income (expense)</b>	<b>4,274,888</b>	<b>1,019,989</b>
<b>Other income (expense):</b>		
Debt forgiveness	-	1,407,264
Extinguished replacement reserve requirement	-	88,563
Income (loss) from investments in government business		
entities and partnerships (note 9)	200,688	(2,329)
Miscellaneous	160,765	26,462
	361,453	1,519,960
<b>Annual surplus</b>	<b>\$ 4,636,341</b>	<b>\$ 2,539,949</b>

See accompanying notes to consolidated financial statements.

# **NADLEH WHUT'EN INDIAN BAND**

## Consolidated Statement of Changes In Net Debt

Year ended March 31, 2021, with comparative information for 2020

	Total 2021	Total 2020
Annual surplus	\$ 4,636,341	\$ 2,539,949
Acquisition of tangible capital assets	(1,731,754)	(2,387,558)
Amortization	1,422,336	1,395,057
	(309,418)	(992,501)
Acquisition of prepaid expenses	(33,603)	(55,044)
Use of prepaid expenses	55,044	55,145
Decrease in net debt	4,348,364	1,547,549
Net debt, beginning of year	(8,011,631)	(9,559,180)
<b>Net debt, end of year</b>	<b>\$ (3,663,267)</b>	<b>\$ (8,011,631)</b>

See accompanying notes to consolidated financial statements.

# NADLEH WHUT'EN INDIAN BAND

## Consolidated Statement of Cash Flows

Year ended March 31, 2021, with comparative information for 2020

	2021	2020
Cash provided by (used in):		
Operations:		
Annual surplus	\$ 4,636,341	\$ 2,539,949
Items not involving cash:		
Amortization	1,422,336	1,395,057
(Income) loss from investments in government business entities and partnerships	(200,688)	-
Replacement reserves	-	(1,771)
Extinguishment of replacement reserve	-	(88,563)
Debt forgiveness	-	(1,407,264)
	<u>5,857,989</u>	<u>2,437,408</u>
Accounts receivable	983,318	(1,914,463)
Sales taxes receivable	24,371	6,925
Inventory held for sale	(6,826)	(10,458)
Prepaid expenses	21,441	101
Accounts payable and accrued liabilities	41,129	34,117
Due to government agencies	(6,330)	7,482
Due to related parties	24	-
Deferred revenue	(178,641)	808,507
	<u>6,736,475</u>	<u>1,369,619</u>
Financing:		
Bank indebtedness	31,784	1,044,895
Repayment of long-term debt	(433,853)	(551,041)
	<u>(402,069)</u>	<u>493,854</u>
Investing:		
Trust funds	(52,768)	(517,865)
Purchase of tangible capital assets	(1,731,754)	(2,387,558)
Investment and advances in government business entities	(3,182)	248
Portfolio investments	(2,207)	(5,550)
	<u>(1,789,911)</u>	<u>(2,910,725)</u>
Increase (decrease) in cash	4,544,495	(1,047,252)
Cash, beginning of year	1,335,256	2,382,508
<b>Cash, end of year</b>	<b>\$ 5,879,751</b>	<b>\$ 1,335,256</b>

See accompanying notes to consolidated financial statements.

# NADLEH WHUT'EN INDIAN BAND

## Notes to Consolidated Financial Statements

Year ended March 31, 2021

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### **Nature of operations:**

Nadleh Whut'en Indian Band (the "First Nation") is a self-governed First Nation and operates on Nadleh Whut'en First Nation traditional territory, located in Fort Fraser, BC. Off-reserve aboriginal communities are also located throughout Northern BC with its head office located in Fort Fraser, B.C.

The COVID-19 outbreak was declared a pandemic by the World Health Organization on March 11, 2020. The situation is dynamic and the ultimate duration and magnitude of the impact on the economy and the financial effect on the First Nation is not known at this time. These impacts could include potential future decreases in funding revenue, cash flows and working capital levels.

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

These consolidated financial statements are prepared in accordance with Canadian public sector accounting standards for governments as recommended by the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants:

(a) Reporting entity principles of financial reporting:

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

The First Nation also prepares financial statements that summarize the assets, liabilities and results of operations for the following entities:

- Nadleh Whut'en Administration Fund
- Nadleh Whut'en Social Services Fund
- Nadleh Whut'en Education Fund
- Nadleh Whut'en Social Housing Fund
- Nadleh Whut'en Capital Fund
- Nadleh Whut'en Economic Development Fund
- Nadleh Whut'en Community Services Fund
- Equity in First Nation Investments

All inter-entity balances have been eliminated.

These financial statements account for the activities of Chundo Yus Forestry Ltd., Chundo Yus Forestry LLP, Chundo Yus Real Estate Ltd., Chundo Yus Real Estate LLP, Nadleh LLP, Lhai Ventures Limited Partnership and Lhai Ventures GP Corp. as government business enterprises or partnerships as defined in the Public Sector Accounting Handbook, using the modified equity method.

# NADLEH WHUT'EN INDIAN BAND

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2021

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## 1. Significant accounting policies (continued):

### (b) Fund accounting:

The Nadleh Whut'en Indian Band uses fund accounting procedures which result in a self-balancing set of accounts for each fund established by legal, contractual, or voluntary actions. The various funds have been amalgamated for the purposes of presentation in the financial statements. Detail of the operations of each fund are set out in the supplementary schedules. The First Nation maintains the following funds:

- The Administration Fund which reports the general activities of the First Nation administration;
- The Social Services Fund which reports the activities of the First Nation's social assistance programs;
- The Education Fund which reports the activities of the First Nation's education programs;
- The Social Housing Fund which reports on the social housing assets of the First Nation together with their related activities;
- The Capital Fund which reports the tangible capital assets of the First Nation and their activities;
- The Economic Development Fund which reports the Investment in Band owned entities along with all other investments and their activities; and
- The Community Services Fund which reports the activities of the general community which includes health and wellness and other community related programs and all their activities.

### (c) Financial instruments:

Financial instruments 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 First Nation has not elected to carry any such financial instruments at fair value.

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 straight-line method (or effective interest rate method).

# NADLEH WHUT'EN INDIAN BAND

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2021

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## 1. Significant accounting policies (continued):

### (c) Financial instruments (continued):

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 First 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 First 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) Cash and cash equivalents:

Cash includes cash on hand, balances with banks net of bank overdrafts and term deposits having a maturity of three months or less at acquisition which are held for the purpose of meeting short-term cash commitments.

### (e) Inventory held for sale:

Inventories of supplies and goods available for resale are recorded at the lower of cost and net realizable value based on first in first out basis.

### (f) Portfolio investments:

Portfolio investments are recorded at amortized cost. Portfolio investments are written down where there has been a loss in value that is other than temporary decline.

The investment in the Co-op is recorded at cost plus the patronage income earned on purchases by the Nation; the investment in the Co-op is reduced by any patronage dividend paid to the Nation.

# NADLEH WHUT'EN INDIAN BAND

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2021

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## 1. Significant accounting policies (continued):

### (g) Investment in Band Owned Entities:

Nadleh Whut'en Indian Band's investment in First Nation Entities owned or controlled by the First Nation's Council but not dependent on the First Nation for their continuing operations, are accounted for using the modified equity method. Under the modified equity method, the equity method is modified only to the extent that the First Nation entity accounting principles are not adjusted to conform to those of the First Nation. The First Nation's investment in these entities is recorded at cost and increased or decreased for its proportionate share of the post acquisition earnings, losses and distributions received. Entities accounted for under the modified equity method include:

- Chundo Yus Forestry Ltd.
- Chundo Yus Forestry LP
- Chundo Yus Real Estate Ltd.
- Chundo Yus Real Estate LP
- Nadleh LP

### (h) Trust funds:

Trust funds are included as revenue in these statements only to the extent they have been received from the First Nation's trust funds. The trust funds arise from monies 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.

# NADLEH WHUT'EN INDIAN BAND

## Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2021

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

#### (i) Tangible capital assets:

Tangible capital assets are recorded at cost, which includes amounts that are directly related to the acquisition, design, construction, development, improvement or betterment of the assets. Cost includes overhead directly attributable to construction and development, as well as interest costs that are directly attributable to the acquisition or construction of the asset.

Leases that transfer substantially all the benefits and risks of ownership to the lessee are recorded as capital leases. Accordingly, at the inception of the leases, the tangible capital asset and related lease obligations are recorded at an amount equal to the present value of future lease payments discounted at the lower of the interest rate inherent in the lease contracts and Nadleh Whut'en Indian Band's incremental cost of borrowing.

Amortization is provided for on a straight-line basis over their estimated useful lives as follows:

Asset	Rate
Building and infrastructure	2 - 10%
Automotive equipment	25%
Office equipment	20%
Computer equipment	55%
Equipment	25%
Roads and bridges	5%
Computer software	100%
Small equipment	20%

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Tangible capital assets are written down when conditions indicate that they no longer contribute to Nadleh Whut'en Indian Band's ability to provide goods and services, or when the value of future economic benefits associated with the tangible capital assets are less than their net book value. The net write-downs are accounted for as expenses in the consolidated statement of operations.

Contributed capital assets are recorded into revenues at their fair value on the date of donation, except in circumstances where fair value cannot be reasonably determined, in which case they are recognized at nominal value. Transfers of capital assets from related parties are recorded at carrying value.

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. Assets under construction are not amortized until the asset is available to be put into service.

# NADLEH WHUT'EN INDIAN BAND

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2021

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## 1. Significant accounting policies (continued):

### (j) Impairment of long-lived assets:

Long-lived assets are tested for recoverability whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. An impairment loss is recognized when their carrying value exceeds the total undiscounted cash flows expected from their use and eventual disposition. The amount of the impairment loss is determined as excess of the carrying value of the asset over its fair life.

### (k) Surplus :

Under the terms of funding arrangements, remaining surpluses of certain programs may be recovered by the funding agency, and remaining deficits may be funded by the funding agency.

### (l) Revenue recognition:

Revenue and funding are recognized as follows:

- i. Housing revenue is recognized based on lower end of market (LEM) rent for CMHC subsidized housing and based on collected receipts for non-subsidized houses. Rents not collected are written off to bad debts.
- ii. Income from investments is recorded on the accrual basis.
- iii. Government transfers with stipulations are recognized as revenue in the period the transfer is authorized and all eligibility criteria have been met, except when, and to the extent that the transfer gives rise to an obligation that meets the definition of a liability. Any such liability is reduced, and an equivalent amount of revenue is recognized, as the liability is settled.
- iv. Government transfers without stipulations are recognized in the period in which the transfer is authorized, any eligibility criteria have been met and a reasonable estimate of the amount to be received can be made.

### (m) Asset classification:

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

# **NADLEH WHUT'EN INDIAN BAND**

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2021

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

### **(n) Net debt:**

The Nation's financial statements are presented so as to highlight net financial debt as the measurement of financial position. The net financial debt of the Nation is determined by its liabilities less financial assets. Net financial debt is comprised of two components, non-financial assets and accumulated surplus.

### **(o) Segmented disclosure:**

The First Nation conducts its business through reportable segments. These operating segments are established by senior management to facilitate the achievement of the First Nation's long-term objectives, aid in resource allocation decisions, and to assess operational performance. For each reported segment, revenues and expenses represent both amounts that are directly attributed 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.

### **(p) Use of estimates:**

The preparation of 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 disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Accounts specifically affected by estimates in these financial statements are allowance for doubtful accounts, accounts receivable impairment, cost of inventory and amortization. Actual results could differ from those estimates.

# NADLEH WHUT'EN INDIAN BAND

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2021

## 2. Cash:

	2021	2020
Operating	\$ 5,195,491	\$ 801,734
Social Housing	149,140	122,616
Property Tax	204,970	120,294
Nadleh Store	1,184	22,842
Mortgage account	201,280	140,366
Replacement Reserve	127,686	127,404
	<hr/> \$ 5,879,751	<hr/> \$ 1,335,256

## 3. Accounts receivable:

	2021	2020
Indigenous Services Canada	\$ 17,658	\$ 109,837
Canada Mortgage and Housing Corporation	125	125
Carrier Sekani Family Services	323,479	32,253
Carrier Sekani Tribal Council	360,598	1,692,958
Coastal Gaslink Pipeline	66,255	-
First Nation Education Steering Committee	52,911	-
First Nation Health Authority	182,806	64,347
First Peoples' Heritage, Language and Culture	47,596	25,950
Member loans	5,658	5,758
New Relationship Trust	5,000	5,000
Prince George Nechako Aboriginal Employment and Training Association	8,807	45,165
Province of BC	551,835	264,677
Rent receivable	626,724	599,925
Non-member services	298,339	675,301
Other	65,437	56,690
	<hr/> 2,613,228	<hr/> 3,577,986
Allowance for doubtful accounts	(643,290)	(624,731)
	<hr/> 1,969,938	<hr/> 2,953,255

# NADLEH WHUT'EN INDIAN BAND

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2021

## 4. Portfolio investments:

		2021	2020
Vanderhoof Co-operative Equity Investments	\$	129,496	\$ 127,289
Pacific Trail/First Nation Group Limited Partnership (PTP - 780 Units)		1	1
FNLP GP2 Inc. (1 common share)		1	1
British Columbia First Nations Gaming Revenue Sharing General Partner		10	10
British Columbia First Nations Gaming Revenue Sharing Limited Partner		100	100
	<b>\$ 129,608</b>	<b>\$ 127,401</b>	

## 5. Inventory held for sale:

		2021	2020
Fuel and oil	\$	7,816	\$ 11,132
Cigarettes and tobacco		13,095	6,229
Groceries, confectionary		16,859	13,583
	<b>\$ 37,770</b>	<b>\$ 30,944</b>	

## 6. Ottawa Trust Fund:

	Revenue	Capital	2021	2020
Balance, beginning of year	\$ 1,360,621	\$ 14,423	\$ 1,375,044	\$ 857,179
Interest	1,220	-	1,220	-
Additions	166,547	-	166,547	555,624
Withdrawals	(115,000)	-	(115,000)	(37,759)
	<b>\$ 1,413,388</b>	<b>\$ 14,423</b>	<b>\$ 1,427,811</b>	<b>\$ 1,375,044</b>

# NADLEH WHUT'EN INDIAN BAND

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2021

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## 7. Accounts payable and accrued liabilities:

	2021	2020
Trade payables	\$ 197,129	\$ 81,117
Accrued payables	52,424	52,997
Wages payable	37,949	121,572
Vacation	74,738	52,053
Social Housing rent	22,565	26,037
Other	-	9,900
	<hr/> \$ 384,805	<hr/> \$ 343,676

## 8. Bank indebtedness:

Bank indebtedness consists of an operating line of credit authorized to \$1,200,000 and is secured by a general security agreement providing first ranking security interest over all of the tangible and intangible assets of the First Nation, with interest charged at prime plus 1% per annum.

	2021	2020
Cheques in excess of cash	\$ 8,219	\$ 3,296
Operating line of credit	1,081,428	1,054,567
	<hr/> \$ 1,089,647	<hr/> \$ 1,057,863

# NADLEH WHUT'EN INDIAN BAND

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2021

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## 9. Investments in government business entities:

Nadleh Whut'en Indian Band's investment in government business partnerships consists of the following:

- Chundo Yus Forestry General Partner (100% ownership)
- Chundo Yus Real Estate General Partner (100% ownership)
- Chundo Yus Forestry Limited Partnership (99.99% ownership)
- Chundo Yus Real Estate Limited Partnership (99.99% ownership)
- Nadleh Limited Partner Ltd. (100% ownership)
- Lhai Ventures Limited Partnership (22.5% ownership)
- Lhai Ventures GP Corp. (25% ownership)

The First Nation entered into a Bare Trust / Agency Agreement with Nadleh Limited Partner Ltd. on May 29, 2015, which states that all income received from the Trust Property will belong to and be for the sole benefit of the First Nation and will be paid to the First Nation upon the direction of the Chief and Council.

	Investments	Advances	2021	2020
Chundo Yus Real Estate General Partner (100% ownership)	\$ (2,740)	\$ 2,761	\$ 21	\$ 21
Chundo Yus Forestry Limited Partnership (99.99% ownership)	9,500	-	9,500	9,500
Chundo Yus Real Estate Limited Partnership (99.99% ownership)	(584,137)	583,928	(209)	(209)
Nadleh Limited Partner Ltd. (100% ownership)	-	1	1	1
Chundo Yus Forestry General Partner (100% ownership)	(2,756)	2,777	21	21
Lhai Ventures Limited Partnership (22.5% ownership)	203,846	-	203,846	-
Lhai Ventures GP Corp. (25% ownership)	24	-	24	-
	\$ (376,263)	\$ 589,467	\$ 213,204	\$ 9,334

# NADLEH WHUT'EN INDIAN BAND

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2021

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## 9. Investments in government business entities (continued):

The First Nation's share of income (loss) from investments in government business entities and partnerships for the year was:

	2021	2020
Chundo Yus Real Estate Limited Partnership	\$ (3,159)	\$ (2,329)
Lhai Ventures Limited Partnership	203,824	-
Lhai Ventures GP Corp.	23	-
	<hr/> \$ 200,688	<hr/> \$ (2,329)
	2021	2020

### Chundo Yus Real Estate General Partner (100% ownership)

Financial position:

Assets	\$ 21	\$ 21
Liabilities	(2,761)	(2,761)
Equity	(2,740)	(2,740)

Results of operation:

Revenues	1	1
Expenses	(1)	(1)

### Chundo Yus Forestry Limited Partnership (99.99% ownership)

Financial position:

Assets	\$ 9,500	\$ 9,500
Equity	(9,500)	(9,500)

Results of operations:

Revenues	1	1
Expenses	(1)	(1)

### Chundo Yus Real Estate Limited Partnership (99.99% ownership)

Financial position:

Assets	\$ 132	\$ 132
Liabilities	(583,928)	(580,979)
Equity	(584,137)	(580,978)

Results of operations:

Expenses	(3,159)	(2,329)
Net loss	(3,159)	(2,329)

# NADLEH WHUT'EN INDIAN BAND

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2021

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## 9. Investments in government business entities (continued):

	2021	2020
<b>Nadleh Limited Partner Ltd. (100% ownership)</b>		
Financial position:		
Assets	\$ 1	\$ 1
Equity	(1)	(1)
Results of operations:		
Revenue	1	1
Expenses	(1)	(1)
<b>Chundo Yus Forestry General Partner (100% ownership)</b>		
Financial position:		
Assets	\$ 21	\$ 21
Liabilities	(2,777)	(2,777)
Equity	(2,756)	(2,756)
Results of operations:		
Revenue	1	1
Expenses	(1)	(1)

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# NADLEH WHUT'EN INDIAN BAND

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2021

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## 10. Due to government agencies:

	2021	2020
Federal	\$ 21,933	\$ 29,483
Provincial	6,524	5,304
	\$ 28,457	\$ 34,787

## 11. Due from related parties:

	2021	2020
Chundo Yus Forestry Limited Partnership (99.99%)	\$ 9,999	\$ 9,999
Nadleh Limited Partner	1	1
Lhai Ventures Limited Partner	23	-
Lhai Ventures GP Corp.	1	-
	\$ 10,024	\$ 10,000

## 12. Deferred revenue:

	2021	2020
Indigenous Services Canada - QZHN-001	\$ -	\$ 500,000
Indigenous Services Canada - QZI8-001	-	250,000
Carrier Sekani Family Services - cabin/dock	-	28,689
Carrier Sekani Family Services - Health 2020/2021	-	29,818
Indigenous Services Canada - waste water system	264,813	-
Indigenous Services Canada - Lejac remediation	365,053	-
	\$ 629,866	\$ 808,507

# NADLEH WHUT'EN INDIAN BAND

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2021

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## 13. Long-term debt:

	2021	2020
Construction Loan bearing interest at 2.98% per annum, repayable in monthly payments of \$40,606 plus interest, due on demand. The loan is secured by a general security agreement providing first ranking security interest over all of the tangible and intangible assets of the borrower, all risk insurance including course of construction and general liability insurance with the lender named as a loss payee, and a pledge of the borrower's revenue stream as required. The loan matures on July 2025.	\$ 11,076,388	\$ 11,563,661
Mortgage bearing interest at 2.99% per annum, repayable in monthly payments of \$1,586 including interest. The loan is secured by buildings with a net book value \$53,193 and a Government of Canada Ministerial Guarantee. The loan matures on August 2022.	33,613	52,649
Vehicle loan at 0% interest, repayable in monthly payments of \$1,294. The loan is secured by the respective vehicle with a net book value of \$70,441. The loan matures on November 2025.	72,456	-
	<hr/> \$ 11,182,457	<hr/> \$ 11,616,310

Principal repayments are due as follows:

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2022	\$ 521,832
2023	517,385
2024	502,800
2025	502,800
2026	497,624
Thereafter	8,640,016
	<hr/> \$ 11,182,457

# NADLEH WHUT'EN INDIAN BAND

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2021

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## 14. Tangible capital assets:

	2021								
	Buildings and infrastructure	Automotive	Computer equipment	Office Equipment	Equipment	Roads and bridges	Computer software	Small equipment	Total
<b>Cost:</b>									
Balance, beginning of year	38,682,073	586,010	83,054	214,621	312,797	1,767,694	21,679	134,896	41,802,824
Additions	1,580,361	111,122	19,823	6,701	-	-	1,835	11,912	1,731,754
Balance, end of year	40,262,434	697,132	102,877	221,322	312,797	1,767,694	23,514	146,808	43,534,578
<b>Accumulated amortization:</b>									
Balance, beginning of year	14,156,289	442,186	73,929	88,225	300,533	86,329	21,679	46,309	15,215,479
Amortization expenses	1,235,309	46,082	8,753	25,673	3,057	84,068	1,070	18,324	1,422,336
Balance, end of year	15,391,598	488,268	82,682	113,898	303,590	170,397	22,749	64,633	16,637,815
Net book value, end of year	\$ 24,870,836	\$ 208,864	\$ 20,195	\$ 107,424	\$ 9,207	\$ 1,597,297	\$ 765	\$ 82,175	\$ 26,896,763

# NADLEH WHUT'EN INDIAN BAND

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2021

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## 14. Tangible capital assets (continued):

	2020								
	Buildings and infrastructure	Automotive	Computer equipment	Office equipment	Equipment	Roads and bridges	Computer software	Small equipment	Total
<b>Cost:</b>									
Balance, beginning of year	37,161,964	586,010	81,645	208,081	302,904	986,722	21,679	66,261	39,415,266
Additions	1,520,109	-	1,409	6,540	9,893	780,972	-	68,635	2,387,558
Balance, end of year	38,682,073	586,010	83,054	214,621	312,797	1,767,694	21,679	134,896	41,802,824
<b>Accumulated amortization:</b>									
Balance, beginning of year	12,928,842	394,073	57,217	57,254	297,128	24,668	21,679	39,561	13,820,422
Amortization expenses	1,227,447	48,113	16,712	30,971	3,405	61,661	-	6,748	1,395,057
Balance, end of year	14,156,289	442,186	73,929	88,225	300,533	86,329	21,679	46,309	15,215,479
Net book value, end of year	\$ 24,525,784	\$ 143,824	\$ 9,125	\$ 126,396	\$ 12,264	\$ 1,681,365	\$ -	\$ 88,587	\$ 26,587,345

# NADLEH WHUT'EN INDIAN BAND

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2021

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## 15. Indigenous Services Canada:

	2021	2020
Funding received	\$ 7,390,882	\$ 3,152,714
Transferred to deferred revenue	(629,866)	(750,000)
Transferred from deferred revenue	750,000	-
	<hr/>	<hr/>
	\$ 7,511,016	\$ 2,402,714

## 16. Employment retirement plan:

The First Nation has a defined contribution plan for its employees, where 5% of employees gross payroll is contributed to a defined contribution plan. Total band contributions for 2021 were \$100,309 (2020 - \$89,839).

## 17. Economic dependence:

Nadleh Whut'en Indian Band receives a significant portion of its revenue pursuant to a funding agreement with Indigenous Services Canada. The First Nation's ability to operate certain programs depends on the contribution of this funding.

## 18. Contingent liabilities:

### a) Recoveries of Government Funding:

Under the terms of the agreement with Indigenous Services Canada and other government agencies, certain surplus may be recoverable and so repayable to the government by the First Nation. The amount of the liability, if any, of the First Nation is not determinable at this time.

### b) Ministerial Loan Agreement:

The First Nation is contingently liable for Ministerial Loan Guarantees in the amount of \$50,525 for loans to individual First Nations Members.

### c) Credit Facility:

The First Nation has a \$50,000 MasterCard facility for general working capital purposes.

### d) The First Nation has a \$2,000,000 on-reserve housing loan program which provides up to 80% of the mortgage value to qualified borrowers for the construction, renovation, refinance or purchase of a dwelling on reserve, and a \$1,440,000 Treasury Risk Management Facility to facilitate hedging of interest rate risk.

# NADLEH WHUT'EN INDIAN BAND

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2021

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## **19. Segmented information:**

The First 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*

The Administration departments provides operational and programmatic support to the First Nation. It also manages the Nation's financial records to ensure that the government's operations are fiscally responsible and accurate financial results of government programming are being reported.

### *Capital*

The Capital program provides for the development of new capital projects and infrastructure programs on the reserve.

### *Community Services*

The Community Services department supports the members in their efforts to enhance their self-awareness, health and wellness, education and employment. Various programs are being offered in this department.

### *Economic Development*

The Economic Development department is responsible for creating and sustaining businesses and partnerships that provide economic growth and stability for the Nation.

### *Education*

The Education program offers aboriginal employment and training programs to assist members to attain employment, provides kindergarten to grade 12 courses and provides post secondary education support.

### *Housing*

The Housing program is responsible for the administration and management of Social Housing units.

### *Social Services*

The Social Services program provides assistance to community members unable to provide for themselves and their dependents. The services include, but are not limited to, income assistance, child and family services, and assisted living.

# NADLEH WHUT'EN INDIAN BAND

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2021

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## 19. Segmented information (continued):

	2021												
	Administration		Capital		Community services		Economic development		Education		Housing	Social services	Total
<b>Revenue:</b>													
Indigenous Service Canada	\$ 272,874	\$ 4,656,381	\$ 459,317	\$ 252,580	\$ 1,290,279	\$ -	\$ 579,585	\$ 7,511,016					
First Nations Health Authority	-	-	147,221	20,868	96,967	-	-	-				265,056	
Province of British Columbia	47,520	398,485	452,682	2,522,662	-	-	-	-			30,000	3,451,349	
Interest	34,163	-	-	7,620	-	-	336	-			-	42,119	
Trust fund income	152,399	-	-	-	-	-	-	-			-	152,399	
Other	171,406	-	90,924	121,730	65,896	-	-	12,000			12,000	461,956	
Carrier Sekani Family Services	8,000	-	212,495	-	-	-	-	443,009			443,009	663,504	
Carrier Sekani Tribal Council	-	-	8,750	343,830	3,750	-	-	-			-	356,330	
First Nations Education Steering Committee	35,923	-	-	-	72,813	-	-	-			-	108,736	
Own source	1,456,482	-	-	1,730,065	-	1,529,705	158,080	1,064,594			-	3,344,291	
<b>Total revenue</b>	<b>2,178,767</b>	<b>5,054,866</b>	<b>1,371,389</b>	<b>4,999,355</b>	<b>1,529,705</b>	<b>158,080</b>	<b>1,064,594</b>	<b>16,356,756</b>					

# NADLEH WHUT'EN INDIAN BAND

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2021

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## 19. Segmented information (continued):

	2021							
	Administration	Capital	Community services	Economic development	Education	Housing	Social services	Total
<b>Expenses:</b>								
Amortization	-	1,399,755	-	-	-	22,581	-	1,422,336
Bad debt	18,559	-	-	3,836	-	-	-	22,395
Consulting fees	273,166	2,753,245	466,408	750,479	116,767	-	-	4,360,065
Equipment purchases	9,647	2,625	-	4,102	-	-	39	16,413
Honoraria	128,300	12,705	9,200	26,546	14,500	410	-	191,661
Insurance	52,275	-	-	21,223	2,627	17,704	13,633	107,462
Materials and supplies	31,763	4,771	132,440	45,966	45,955	3,177	19,753	283,825
Meetings	4,041	-	10,869	100,410	2,234	520	400	118,474
Other	201,253	388,845	93,680	1,128,997	586,834	17,837	242,559	2,660,005
Professional fees	136,415	-	-	-	-	-	-	136,415
Rent	106,800	-	8,400	8,400	48,300	8,400	16,800	197,100
Repairs and maintenance	21,244	33,281	-	40,778	3,362	21,803	36,207	156,675
Salaries and wages	634,875	-	651,798	454,687	159,062	43,969	114,079	2,058,470
Telephone and utilities	97,435	-	2,321	52,591	10,436	38,587	13,105	214,475
Training	34,800	-	-	-	30,700	-	-	65,500
Travel and accommodations	18,490	-	7,441	6,388	7,308	1,220	29,750	70,597
<b>Total expenses</b>	<b>1,769,063</b>	<b>4,595,227</b>	<b>1,382,557</b>	<b>2,644,403</b>	<b>1,028,085</b>	<b>176,208</b>	<b>486,325</b>	<b>12,081,868</b>
Revenue over (under) expenses	409,704	459,639	(11,168)	2,354,952	501,620	(18,128)	578,269	4,274,888
Other (income) expense	(160,765)	-	-	(200,688)	-	-	-	(361,453)
<b>Surplus (deficit)</b>	<b>\$ 570,469</b>	<b>\$ 459,639</b>	<b>\$ (11,168)</b>	<b>\$ 2,555,640</b>	<b>\$ 501,620</b>	<b>\$ (18,128)</b>	<b>\$ 578,269</b>	<b>\$ 4,636,341</b>

# NADLEH WHUT'EN INDIAN BAND

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2021

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## 19. Segmented information (continued):

	2020							
	Administration	Capital	Community services	Economic development	Education	Housing	Social services	Total
<b>Revenue:</b>								
Indigenous Service Canada	20,223	167,690	31,139	429,880	1,189,817	28,938	535,027	2,402,714
First Nations Health Authority	-	-	17,500	19,209	84,626	-	-	121,335
Province of British Columbia	365,858	371,076	239,860	1,813,275	-	-	60,000	2,850,069
Interest	58,157	2,067	-	-	-	1,817	-	62,041
Trust fund income	497,027	-	-	-	-	-	-	497,027
Other	21,880	-	337,825	147,475	26,661	-	25,587	559,428
Carrier Sekani Family Services	8,000	185,238	-	-	-	-	137,878	331,116
Carrier Sekani Tribal Council	237,143	-	(398)	58,157	-	-	-	294,902
First Nations Education Steering Committee	6,034	-	-	-	38,517	-	-	44,551
Own source	287,246	-	3,456	2,670,782	-	186,338	-	3,147,822
<b>Total revenue</b>	<b>1,501,568</b>	<b>726,071</b>	<b>629,382</b>	<b>5,138,778</b>	<b>1,339,621</b>	<b>217,093</b>	<b>758,492</b>	<b>10,311,005</b>

# NADLEH WHUT'EN INDIAN BAND

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2021

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## 19. Segmented information (continued):

	2020							
	Administration	Capital	Community services	Economic development	Education	Housing	Social services	Total
<b>Expenses:</b>								
Amortization	-	1,332,108	1,360	35,560	9,121	24,180	504	1,402,833
Bad debts	68,824	-	-	5,389	-	-	-	74,213
Consulting fees	170,534	533,987	201,628	324,395	113,839	-	508	1,344,891
Equipment purchases	-	-	-	10,377	14,524	150	-	25,051
Honoraria	75,900	115	31,545	13,230	17,450	-	-	138,240
Insurance	44,172	4,774	301	24,281	5,753	13,546	9,204	102,031
Materials and supplies	95,963	3,201	54,657	56,916	45,876	4,942	20,482	282,037
Meetings	8,973	100	33,452	5,839	33,498	577	21,613	104,052
Other	154,411	679,384	58,997	1,426,782	684,334	2,209	237,457	3,243,574
Professional fees	124,332	-	-	-	-	-	-	124,332
Rent	126,575	-	27,480	8,400	43,100	8,400	8,400	222,355
Repairs and maintenance	62,350	39,794	135	50,669	315	13,335	4,310	170,908
Salaries and wages	580,110	-	242,947	301,251	170,799	48,032	149,643	1,492,782
Telephone and utilities	107,538	20,232	10,550	59,219	10,934	3,992	15,990	228,455
Training	21,643	-	-	7,434	60,087	-	(655)	88,509
Travel and accommodations	71,213	201	24,837	25,111	72,982	-	52,409	246,753
<b>Total expenses</b>	<b>1,712,538</b>	<b>2,613,896</b>	<b>687,889</b>	<b>2,354,853</b>	<b>1,282,612</b>	<b>119,363</b>	<b>519,865</b>	<b>9,291,016</b>
Revenue (under) over expenses	(210,970)	(1,887,825)	(58,507)	2,783,925	57,009	97,730	238,627	1,019,989
Other (income) expense	(1,433,726)	-	-	2,329	-	(88,563)	-	(1,519,960)
<b>Surplus (deficit)</b>	<b>\$ 1,222,756</b>	<b>\$ (1,887,825)</b>	<b>\$ (58,507)</b>	<b>\$ 2,781,596</b>	<b>\$ 57,009</b>	<b>\$ 186,293</b>	<b>\$ 238,627</b>	<b>\$ 2,539,949</b>

# **NADLEH WHUT'EN INDIAN BAND**

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2021

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## **20. Comparative information:**

Certain of the comparative amounts have been reclassified to conform with the presentation adopted in the current period. The changes do not affect prior year annual surplus.