

Consolidated Financial Statements of

**NADLEH WHUT'EN INDIAN BAND**

And Independent Auditors' Report thereon

Year ended March 31, 2022

# 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.

Chief

Finance Officer



KPMG LLP  
177 Victoria Street, Suite 400  
Prince George BC V2L 5R8  
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Tel 250-563-7151  
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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, 2022
- 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, 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 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.

### ***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.



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- 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.

*KPMG LLP*

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Chartered Professional Accountants

Prince George, Canada

November 22, 2022

# NADLEH WHUT'EN INDIAN BAND

## Consolidated Statement of Financial Position

March 31, 2022, with comparative information for 2021

	2022	2021
<b>Financial assets:</b>		
Cash (note 2)	\$ 6,573,429	\$ 5,879,751
Accounts receivable (note 3)	3,887,153	1,947,373
Sales taxes receivable	-	3,907
Investments (note 4)	137,002	129,608
Inventory held for sale	-	37,770
Ottawa Trust Fund (note 5)	1,300,401	1,427,811
Investments in government business entities (note 6)	688,742	213,204
	<u>\$ 12,586,727</u>	<u>\$ 9,639,424</u>
<b>Liabilities:</b>		
Bank indebtedness (note 7)	1,387	1,089,647
Accounts payable and accrued liabilities (note 8)	557,486	362,240
Sales taxes payable	6,299	-
Due to government agencies (note 9)	92,271	28,457
Due to related parties (note 10)	10,024	10,024
Deferred revenue (note 11)	-	629,866
Long-term debt (note 12)	11,158,470	11,182,457
	<u>11,825,937</u>	<u>13,302,691</u>
Net financial asset (debt)	760,790	(3,663,267)
<b>Non-financial assets:</b>		
Tangible capital assets (note 13)	26,378,942	26,896,763
Prepaid expenses	40,143	33,603
	<u>26,419,085</u>	<u>26,930,366</u>
Contingent liabilities (note 19)		
Accumulated surplus (note 14)	<u>\$ 27,179,875</u>	<u>\$ 23,267,099</u>

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, 2022, with comparative information for 2021

	2022	2021
Revenue (note 18):		
Indigenous Services Canada (note 15)	\$ 4,409,300	\$ 7,511,016
Interest income	26,951	33,126
Other income	552,682	260,691
Other aboriginal groups	2,535,668	1,603,884
Own source	4,294,870	3,344,291
Province of British Columbia	3,081,967	3,451,349
Trust fund income	157,507	152,399
	15,058,945	16,356,756
Expenses (note 18):		
Administration	1,965,550	1,769,063
Capital	2,436,560	4,595,227
Community Services	1,323,388	1,382,557
Economic Development	3,981,967	2,644,403
Education	1,145,406	1,028,085
Housing	167,343	176,208
Social services	608,026	486,325
	11,628,240	12,081,868
Surplus before other income	3,430,705	4,274,888
Other income:		
Income from investments in government business entities and partnerships (note 6)	475,560	200,688
Miscellaneous	6,511	160,765
	482,071	361,453
Annual surplus	\$ 3,912,776	\$ 4,636,341

See accompanying notes to consolidated financial statements.



# NADLEH WHUT'EN INDIAN BAND

## Consolidated Statement of Changes In Net Debt

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

	Total 2022	Total 2021
Annual surplus	\$ 3,912,776	\$ 4,636,341
Acquisition of tangible capital assets	(954,272)	(1,731,754)
Amortization	1,472,093	1,422,336
	517,821	(309,418)
Acquisition of prepaid expenses	(40,143)	(33,603)
Use of prepaid expenses	33,603	55,044
Decrease in net debt	4,424,057	4,348,364
Net debt, beginning of year	(3,663,267)	(8,011,631)
Net financial asset (debt), end of year	\$ 760,790	\$ (3,663,267)

See accompanying notes to consolidated financial statements.

# NADLEH WHUT'EN INDIAN BAND

## 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	\$ 3,912,776	\$ 4,636,341
Items not involving cash:		
Amortization	1,472,093	1,422,336
Income from investments in government business entities and partnerships	(475,560)	(200,688)
	4,909,309	5,857,989
Accounts receivable	(1,939,780)	1,005,882
Sales taxes receivable (payable)	10,206	24,371
Inventory held for sale	37,770	(6,826)
Prepaid expenses	(6,540)	21,441
Accounts payable and accrued liabilities	195,246	18,565
Due to government agencies	63,814	(6,330)
Due to related parties	-	24
Deferred revenue	(629,866)	(178,641)
	2,640,159	6,736,475
Financing:		
Bank indebtedness	(1,088,260)	31,784
Repayment of long-term debt	(521,835)	(433,853)
Proceeds of long-term debt	497,848	-
	(1,112,247)	(402,069)
Investing:		
Ottawa Trust funds	127,410	(52,768)
Purchase of tangible capital assets	(954,272)	(1,731,754)
Advances from (to) government business entities	22	(3,182)
Investments	(7,394)	(2,207)
	(834,234)	(1,789,911)
Increase in cash	693,678	4,544,495
Cash, beginning of year	5,879,751	1,335,256
Cash, end of year	\$ 6,573,429	\$ 5,879,751

See accompanying notes to consolidated financial statements.

# NADLEH WHUT'EN INDIAN BAND

## Notes to Consolidated Financial Statements

Year ended March 31, 2022

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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.

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

These consolidated financial statements include the assets, liabilities and results of operations of the First 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 the First 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 ("PSAB"). The First Nation's significant accounting policies are as follows:

#### **(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.

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.

Nadleh Whut'en Indian Band's investment in First Nation entities owned or controlled by the First Nation's Chief and 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 of accounting, only the First 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.

# NADLEH WHUT'EN INDIAN BAND

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2022

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## 1. Significant accounting policies (continued):

### (a) Reporting entity principles of financial reporting (continued):

Incorporated business entities and limited partnerships, which are controlled or jointly controlled by the First Nation, are included in the consolidated financial statements using the consolidation method when they do not meet the criteria to be classified as government business enterprises.

Controlled entities consolidated in the financial statements include:

- Tse Yaz Bunket Gas Bar Ltd. (100% ownership)

Certain incorporated business entities and limited partnerships, which are controlled or jointly controlled by the First Nation, are included in the financial statements using the modified equity method. These include:

Government business enterprises:

- Chundo Yus Real Estate General Partner Ltd. (100% ownership)
- Endako Tsey GP Corp. (50% ownership)
- Lhai Ventures GP Corp. (25% ownership)
- Nadleh Limited Partner Ltd. (100% ownership)

Government business partnerships:

- Chundo Yus Forestry Limited Partnership (99.99% ownership)
- Chundo Yus Real Estate Limited Partnership (99.99% ownership)
- Endako Tsey Limited Partnership (49% ownership)
- Lhai Ventures Limited Partnership (22.5% ownership)
- NWF Resources Limited Partnership (49.5% ownership)

# NADLEH WHUT'EN INDIAN BAND

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2022

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## 1. Significant accounting policies (continued):

### (b) Fund accounting:

The First Nation 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 note 19 segmented information. 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 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) 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.

### (d) 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.

# NADLEH WHUT'EN INDIAN BAND

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2022

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## 1. Significant accounting policies (continued):

### (e) Investments:

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

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

### (f) 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.

### (g) 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.

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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# NADLEH WHUT'EN INDIAN BAND

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2022

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## 1. Significant accounting policies (continued):

### (g) Tangible capital assets (continued):

Tangible capital assets are written down when conditions indicate that they no longer contribute to the First Nation'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.

### (h) 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.

### (i) 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.

# NADLEH WHUT'EN INDIAN BAND

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2022

## 1. Significant accounting policies (continued):

### (j) 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 capital assets and prepaid expenses.

### (k) 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.

### (l) 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 provision for impairment of accounts receivable and carrying amount of inventory and tangible capital assets. Actual results could differ from those estimates.

## 2. Cash:

	2022	2021
Operating	\$ 5,043,611	\$ 5,195,491
Social Housing	158,987	149,140
Property Tax	310,449	204,970
Nadleh Store	48,652	1,184
Mortgage account	883,863	201,280
Replacement Reserve	127,867	127,686
	\$ 6,573,429	\$ 5,879,751



# NADLEH WHUT'EN INDIAN BAND

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2022

## 3. Accounts receivable:

	2022	2021
Indigenous Services Canada	\$ 187,588	\$ 17,658
Canada Mortgage and Housing Corporation	-	125
Carrier Sekani Family Services	364,857	323,479
Carrier Sekani Tribal Council	1,319,472	360,598
Coastal Gaslink Pipeline	153,575	66,255
First Nation Education Steering Committee	11,053	52,911
First Nation Health Authority	114,521	182,806
First Peoples' Heritage, Language and Culture	25,000	47,596
Horizon North	383,665	-
Macro revenue sharing agreement	487,957	-
Member loans	5,658	5,658
New Relationship Trust	-	5,000
Prince George Nechako Aboriginal Employment and Training Association	17,213	8,807
Province of BC	200,618	551,835
Rent receivable	587,065	604,159
Other	324,774	363,776
Union of BC Municipalities	347,427	-
	4,530,443	2,590,663
Allowance for doubtful accounts	(643,290)	(643,290)
	3,887,153	1,947,373

# NADLEH WHUT'EN INDIAN BAND

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2022

## 4. Investments:

	2022	2021
Four Rivers Co-operative Equity Investments	\$ 136,865	\$ 129,496
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
Integrus Credit Union Equity Investment	25	-
	\$ 137,002	\$ 129,608

## 5. Ottawa Trust Fund:

	Revenue	Capital	2022	2021
Balance, beginning of year	\$ 1,413,388	\$ 14,423	\$ 1,427,811	\$ 1,375,044
Interest	10,490	-	10,490	15,369
Additions	163,507	-	163,507	152,398
Withdrawals	(301,407)	-	(301,407)	(115,000)
	\$ 1,285,978	\$ 14,423	\$ 1,300,401	\$ 1,427,811

# NADLEH WHUT'EN INDIAN BAND

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2022

## 6. Investments in government business entities:

	Investments	Advances	2022	2021
Chundo Yus Real Estate General Partner Ltd.	\$ 2,761	\$ (2,740)	\$ 21	\$ 21
Chundo Yus Forestry General Partner Ltd.	-	-	-	21
Chundo Yus Forestry Limited Partnership	9,500	-	9,500	9,500
Chundo Yus Real Estate Limited Partnership	583,927	(584,137)	(210)	(209)
Endako Tsey GP Corp.	60	(50)	10	-
Endako Tsey Limited Partnership	98,857	(49)	98,808	-
Nadleh Limited Partner Ltd.	1	-	1	1
NWF Resources Limited Partnership	1	(1)	-	-
Lhai Ventures Limited Partnership	580,556	-	580,556	203,846
Lhai Ventures GP Corp.	56	-	56	24
	\$ 1,275,719	\$ (586,977)	\$ 688,742	\$ 213,204

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

	2022	2021
Chundo Yus Real Estate Limited Partnership	\$ -	\$ (3,159)
Endako Tsey Limited Partnership	98,818	-
Lhai Ventures Limited Partnership	376,710	203,824
Lhai Ventures GP Corp.	32	23
	\$ 475,560	\$ 200,688

# NADLEH WHUT'EN INDIAN BAND

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2022

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

	2022	2021
<b>Chundo Yus Real Estate Limited Partnership (99.99% ownership)</b>		
Financial position:		
Assets	\$ 132	\$ 132
Liabilities	(583,928)	(583,928)
Equity	(584,137)	(584,137)
Results of operation:		
Revenues	-	1
Expenses	-	(3,159)
Net loss	-	(3,159)
<b>Endako Tsey Limited Partnership (49% ownership)</b>		
Financial position:		
Assets	\$ 211,653	\$ -
Liabilities	(9,958)	-
Equity	(201,695)	-
Results of operations:		
Revenues	202,061	-
Expenses	(391)	-
Net earnings	201,670	-
Nation portion	98,818	-
<b>Lhai Ventures Limited Partnership (22.5% ownership)</b>		
Financial position:		
Assets	\$ 4,116,990	\$ 1,530,030
Liabilities	(1,536,524)	(563,673)
Equity	(2,580,466)	(966,357)
Results of operations:		
Revenue	4,742,243	3,612,092
Expenses	(3,128,134)	(3,019,705)
Net earnings	1,614,109	592,387
Nation portion	376,710	203,824

# NADLEH WHUT'EN INDIAN BAND

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2022

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

There were no material operations in the fiscal year ended March 31, 2021 or March 31, 2022 for the following entities:

- Chundo Yus Real Estate General Partner Ltd.
- Chundo Yus Real Estate Limited Partnership
- Chundo Yus Forestry Limited Partnership
- Endako Tsey GP Corp
- Nadleh Limited Partner Ltd.
- Lhai Ventures GP Corp.
- NWF Resources Limited Partnership

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.

Chundo Yus Forestry General Partner Ltd. changed its name to Tse Yaz Bunket Gas Bar Ltd. on June 11, 2021. This entity was classified as a government business enterprise in the previous fiscal year as it met the appropriate criteria. In the current year, Tse Yaz Bunket Gas Bar Ltd. has been consolidated in the financial statements due to the assessment of the new operations (note 1(a)).

## 7. 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.

	2022	2021
Cheques in excess of cash	\$ -	\$ 8,219
Operating line of credit	1,387	1,081,428
	\$ 1,387	\$ 1,089,647

# NADLEH WHUT'EN INDIAN BAND

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2022

## 8. Accounts payable and accrued liabilities:

	2022	2021
Trade payables	\$ 282,360	\$ 197,129
Accrued payables	159,663	52,424
Wages and benefits payable	36,240	37,949
Vacation	79,223	74,738
	<b>\$ 557,486</b>	<b>\$ 362,240</b>

## 9. Due to government agencies:

	2022	2021
Federal	\$ 86,246	\$ 21,933
Provincial	6,025	6,524
	<b>\$ 92,271</b>	<b>\$ 28,457</b>

## 10. Due to related parties:

	2022	2021
Chundo Yus Forestry Limited Partnership (99.99%)	\$ 9,999	\$ 9,999
Nadleh Limited Partner	1	1
Lhai Ventures Limited Partner	23	23
Lhai Ventures GP Corp.	1	1
	<b>\$ 10,024</b>	<b>\$ 10,024</b>

## 11. Deferred revenue:

	2022	2021
Indigenous Services Canada - waste water system	\$ -	\$ 264,813
Indigenous Services Canada - Lejac remediation	-	365,053
	<b>\$ -</b>	<b>\$ 629,866</b>

# NADLEH WHUT'EN INDIAN BAND

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2022

## 12. Long-term debt:

	2022	2021
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 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.	\$ 10,589,114	\$ 11,076,388
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.	14,578	33,613
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 \$52,831. The loan matures on November 2025.	56,930	72,456
Government loan at 0% interest, repayable on the earlier of March 31, 2025 or a date on which the Claim is settled.	38,310	-
Government loan at 0% interest, repayable on the earlier of March 31, 2026 or a date on which the Claim is settled.	459,538	-
	<b>\$ 11,158,470</b>	<b>\$ 11,182,457</b>

Principal repayments are due as follows:

2023	\$ 517,378
2024	502,800
2025	502,800
2026	535,934
2027	946,811
Thereafter	8,152,747
	<b>\$ 11,158,470</b>

# NADLEH WHUT'EN INDIAN BAND

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2022

## 13. Tangible capital assets:

	2022								
	Buildings and infrastructure	Automotive	Computer equipment	Office Equipment	Equipment	Roads and bridges	Computer software	Small equipment	Total
<b>Cost:</b>									
Balance, beginning of year	40,262,434	697,132	102,877	221,322	312,797	1,767,694	23,514	146,808	43,534,578
Additions	756,945	136,050	7,807	18,688	8,164	-	2,450	24,168	954,272
Balance, end of year	41,019,379	833,182	110,684	240,010	320,961	1,767,694	25,964	170,976	44,488,850
<b>Accumulated amortization:</b>									
Balance, beginning of year	15,391,598	488,268	82,682	113,898	303,590	170,397	22,749	64,633	16,637,815
Amortization expenses	1,280,022	52,088	10,859	23,696	4,287	79,865	3,010	18,266	1,472,093
Balance, end of year	16,671,620	540,356	93,541	137,594	307,877	250,262	25,759	82,899	18,109,908
Net book value, end of year	\$ 24,347,759	\$ 292,826	\$ 17,143	\$ 102,416	\$ 13,084	\$ 1,517,432	\$ 205	\$ 88,077	\$ 26,378,942



# NADLEH WHUT'EN INDIAN BAND

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2022

## 13. Tangible capital assets (continued):

	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, 2022

## 14. Accumulated surplus:

	2022	2021
Operating fund	\$ 10,161,154	\$ 6,124,982
Ottawa Trust Fund	1,300,401	1,427,811
Invested in tangible capital assets	15,718,320	15,714,306
	<u>\$ 27,179,875</u>	<u>\$ 23,267,099</u>

## 15. Indigenous Services Canada:

	2022	2021
Funding received	\$ 3,779,434	\$ 7,390,882
Transferred to deferred revenue	-	(629,866)
Transferred from deferred revenue	629,866	750,000
	<u>\$ 4,409,300</u>	<u>\$ 7,511,016</u>

## 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 2022 were \$67,655 (2021 - \$100,309).

## 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.

# NADLEH WHUT'EN INDIAN BAND

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2022

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## 18. 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, 2022

## 18. Segmented information (continued):

2022									
	Administration	Capital	Community services	Economic development	Education	Housing	Social services	Total	
Revenue:									
Indigenous Service Canada	\$ 267,236	\$ 1,098,945	\$ 643,434	\$ 550,715	\$ 1,353,505	\$ -	\$ 495,465	\$ 4,409,300	
First Nations Health Authority	-	-	125,611	19,209	204,478	-	115,000	464,298	
Province of British Columbia	475,000	228,169	329,454	2,049,344	-	-	-	3,081,967	
Interest	26,610	85	-	-	-	256	-	26,951	
Trust fund income	157,507	-	-	-	-	-	-	157,507	
Other	215,465	-	78,440	406,651	-	-	-	700,556	
Carrier Sekani Family Services	-	-	228,904	-	-	-	165,205	394,109	
Carrier Sekani Tribal Council	28,571	-	28,790	1,329,472	26,833	-	-	1,413,666	
First Nations Education Steering Committee	9,435	-	26,319	-	79,967	-	-	115,721	
Own source	175,891	-	-	3,971,012	-	147,967	-	4,294,870	
Total revenue	1,355,715	1,327,199	1,460,952	8,326,403	1,664,783	148,223	775,670	15,058,945	

# NADLEH WHUT'EN INDIAN BAND

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2022

## 18. Segmented information (continued):

	2022							Total
	Administration	Capital	Community services	Economic development	Education	Housing	Social services	
<b>Expenses:</b>								
Amortization	-	1,449,512	-	-	-	22,581	-	1,472,093
Bad debt	-	-	1,934	12,046	-	-	-	13,980
Consulting fees	586,677	663,266	220,850	1,185,568	118,006	5,230	-	2,779,597
Equipment purchases	10,204	-	6,641	5,800	600	-	-	23,245
Honoraria	135,500	-	29,215	8,686	1,750	-	1,663	176,814
Insurance	56,013	-	-	14,690	2,939	23,474	14,605	111,721
Materials and supplies	59,950	-	195,444	56,812	77,316	4,264	33,102	426,888
Meetings	15,947	-	53,076	87,576	2,099	-	9,486	168,184
Other	45,948	296,562	126,355	1,360,916	719,560	34,307	332,948	2,916,596
Professional fees	95,293	-	-	32,956	-	-	-	128,249
Rent (recovery)	-	-	-	-	(5,000)	-	-	(5,000)
Repairs and maintenance (recovery)	42,941	27,220	120,513	350,147	75,662	38,851	(5,690)	649,644
Salaries and wages	622,512	-	554,034	766,616	135,138	36,148	154,609	2,269,057
Telephone and utilities	158,254	-	1,150	85,085	(4,123)	1,982	13,787	256,135
Training	41,205	-	-	-	13,931	-	-	55,136
Travel and accommodations	95,106	-	14,176	15,069	7,528	506	53,516	185,901
<b>Total expenses</b>	<b>1,965,550</b>	<b>2,436,560</b>	<b>1,323,388</b>	<b>3,981,967</b>	<b>1,145,406</b>	<b>167,343</b>	<b>608,026</b>	<b>11,628,240</b>
Revenue over (under) expenses	(609,835)	(1,109,361)	137,564	4,344,436	519,377	(19,120)	167,644	3,430,705
Other income	(350,119)	-	41,486	(367,771)	139,092	8,820	46,421	(482,071)
<b>Surplus (deficit)</b>	<b>\$ (259,716)</b>	<b>\$ (1,109,361)</b>	<b>\$ 179,050</b>	<b>\$ 4,712,207</b>	<b>\$ 658,469</b>	<b>\$ (27,940)</b>	<b>\$ 214,065</b>	<b>\$ 3,912,776</b>

# NADLEH WHUT'EN INDIAN BAND

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2022

## 18. 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	-	398,485	452,682	2,570,182	-	-	30,000	3,451,349
Interest	25,151	5	-	7,634	-	336	-	33,126
Trust fund income	152,399	-	-	-	-	-	-	152,399
Other	171,405	-	97,674	130,723	51,346	-	12,000	463,148
Carrier Sekani Family Services	8,000	-	243,553	-	-	-	400,779	652,332
Carrier Sekani Tribal Council	-	-	13,173	343,830	18,300	-	-	375,303
First Nations Education Steering Committee	35,923	-	-	-	72,813	-	-	108,736
Own source	258,697	-	-	2,927,850	-	157,744	-	3,344,291
<b>Total revenue</b>	<b>924,449</b>	<b>5,054,871</b>	<b>1,413,620</b>	<b>6,253,667</b>	<b>1,529,705</b>	<b>158,080</b>	<b>1,022,364</b>	<b>16,356,756</b>

# NADLEH WHUT'EN INDIAN BAND

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2022

## 18. 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 debts	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
Total expenses	1,769,063	4,595,227	1,382,557	2,644,403	1,028,085	176,208	486,325	12,081,868
Revenue (under) over expenses	(844,614)	459,644	31,063	3,609,264	501,620	(18,128)	536,039	4,274,888
Other (income) expense	(1,207,454)	62,675	19,280	588,918	134,132	40,996	-	(361,453)
Surplus (deficit)	\$ 362,840	\$ 396,969	\$ 11,783	\$ 3,020,346	\$ 367,488	\$ (59,124)	\$ 536,039	\$ 4,636,341

# NADLEH WHUT'EN INDIAN BAND

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2022

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## 19. 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 \$23,953 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.

### e) Contaminated Site:

The First Nation owns a site that management has determined to be contaminated. A consulting firm was retained to provide environmental consulting, environmental monitoring, and hazardous building material abatement monitoring services for a demolition, abatement and disposal program at the site. Certain phases of the program are complete as at March 31, 2022. An estimate of the total remaining remediation costs has been prepared by a consultant and the First Nation has received a commitment that a significant portion of these corresponding costs will be covered through future funding. The extent of costs that will be paid for directly by the First Nation are not expected to be significant and cannot be reasonably estimated at this time; therefore, a liability has not been recognized.

## 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.