

Consolidated Financial Statements of

**NADLEH WHUT'EN INDIAN BAND**

Year ended March 31, 2023

# 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.

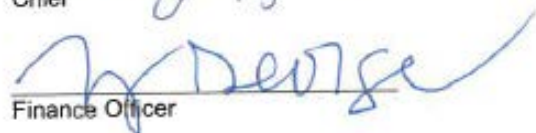
The Nation's management maintains a system of internal controls designed to provide reasonable assurance that assets are safeguarded, transactions are properly authorized and recorded in compliance with legislative and regulatory requirements, and reliable financial information is available on a timely 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, V2L 5R8  
Canada  
Telephone 250 563 7151  
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## **INDEPENDENT AUDITOR'S 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, 2023
- the consolidated statement of operations for the year then ended
- the consolidated statement of changes in net financial assets for the year then ended
- the consolidated statement of cash flows for the year then ended
- and notes to the consolidated financial statements, including a summary of significant accounting policies

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

In our opinion, the accompanying financial statements present fairly, in all material respects, the consolidated financial position of the Entity as at March 31, 2023 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 **"Auditor's 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.

### ***Auditor's 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.



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- 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.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the group audit. We remain solely responsible for our audit opinion.

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

Chartered Professional Accountants

Prince George, Canada

December 5, 2024

# NADLEH WHUT'EN INDIAN BAND

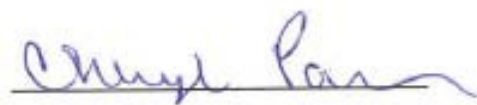
## Consolidated Statement of Financial Position

March 31, 2023, with comparative information for 2022

	2023	2022
<b>Financial assets:</b>		
Cash (note 2)	\$ 26,048,686	\$ 6,573,429
Accounts receivable (note 3)	8,894,365	3,887,153
Investments (note 4)	144,153	137,002
Inventory held for sale	65,582	-
Ottawa Trust Fund (note 5)	1,767,959	1,300,401
Investments in government business entities (note 6)	1,472,130	688,742
	<u>\$ 38,392,875</u>	<u>\$ 12,586,727</u>
<b>Liabilities:</b>		
Bank indebtedness (note 7)	-	1,387
Accounts payable and accrued liabilities (note 8)	714,200	581,551
Sales taxes payable	407,935	74,505
Due to related parties	10,024	10,024
Deferred revenue (note 9)	250,000	-
Asset retirement obligation (note 19)	100,000	-
Long-term debt (note 10)	10,641,092	11,158,470
	<u>12,123,251</u>	<u>11,825,937</u>
Net financial assets	26,269,624	760,790
<b>Non-financial assets:</b>		
Tangible capital assets (note 11)	25,629,207	26,378,942
Prepaid expenses	67,882	40,143
	<u>25,697,089</u>	<u>26,419,085</u>
Contingent liabilities (note 18)		
Accumulated surplus (note 12)	<u>\$ 51,966,713</u>	<u>\$ 27,179,875</u>

See accompanying notes to consolidated financial statements.

On behalf of the Chief and Council



# NADLEH WHUT'EN INDIAN BAND

## Consolidated Statement of Operations

Year ended March 31, 2023, with comparative information for 2022

	2023	2022
Revenue (note 17):		
Indigenous Services Canada (note 13)	\$ 3,940,983	\$ 4,409,300
Interest income	268,401	26,951
Other income	1,072,157	552,682
Other indigenous groups	1,958,881	2,535,668
Own source (note 14)	17,827,877	4,294,870
Province of British Columbia	11,581,846	3,081,967
Ottawa Trust Fund income	430,091	157,507
	37,080,236	15,058,945
Expenses (note 17):		
Administration	2,355,174	1,965,550
Capital	1,979,392	2,436,560
Community Services	1,663,044	1,323,388
Economic Development	5,241,396	3,981,967
Education	974,438	1,145,406
Housing	89,704	167,343
Social services	780,870	608,026
	13,084,018	11,628,240
Surplus before other income	23,996,218	3,430,705
Other income:		
Income from investments in government business entities and partnerships (note 6)	783,388	475,560
Miscellaneous	7,232	6,511
	790,620	482,071
Annual surplus	\$ 24,786,838	\$ 3,912,776

See accompanying notes to consolidated financial statements.



# NADLEH WHUT'EN INDIAN BAND

## Consolidated Statement of Changes in Net Financial Assets

Year ended March 31, 2023, with comparative information for 2022

	Total 2023	Total 2022
Annual surplus	\$ 24,786,838	\$ 3,912,776
Acquisition of tangible capital assets	(768,241)	(954,272)
Amortization	1,517,976	1,472,093
	749,735	517,821
Acquisition of prepaid expenses	(67,882)	(40,143)
Use of prepaid expenses	40,143	33,603
Increase in net financial assets	25,508,834	4,424,057
Net financial assets (debt) beginning of year	760,790	(3,663,267)
Net financial assets, end of year	\$ 26,269,624	\$ 760,790

See accompanying notes to consolidated financial statements.

# NADLEH WHUT'EN INDIAN BAND

## Consolidated Statement of Cash Flows

Year ended March 31, 2023, with comparative information for 2022

	2023	2022
Cash provided by (used in):		
Operations:		
Annual surplus	\$ 24,786,838	\$ 3,912,776
Items not involving cash:		
Amortization	1,517,976	1,472,093
Income from investments in government business entities and partnerships	(783,388)	(475,560)
	25,521,426	4,909,309
Accounts receivable	(5,007,212)	(1,939,780)
Inventory held for sale	(65,582)	37,770
Prepaid expenses	(27,739)	(6,540)
Accounts payable and accrued liabilities	132,649	190,854
Sales taxes payable	333,430	78,412
Deferred revenue	250,000	(629,866)
Asset retirement obligation	100,000	-
	21,236,972	2,640,159
Financing:		
Bank indebtedness	(1,387)	(1,088,260)
Repayment of long-term debt	(517,378)	(521,835)
Proceeds of long-term debt	-	497,848
	(518,765)	(1,112,247)
Investing:		
Ottawa Trust funds	(467,558)	127,410
Purchase of tangible capital assets	(768,241)	(954,272)
Advances from (to) government business entities	-	22
Investments	(7,151)	(7,394)
	(1,242,950)	(834,234)
Increase in cash	19,475,257	693,678
Cash, beginning of year	6,573,429	5,879,751
Cash, end of year	\$ 26,048,686	\$ 6,573,429

See accompanying notes to consolidated financial statements.

# NADLEH WHUT'EN INDIAN BAND

## Notes to Consolidated Financial Statements

Year ended March 31, 2023

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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, British Columbia. Off-reserve aboriginal communities are also located throughout Northern British Columbia with its head office located in Fort Fraser, British Columbia.

### **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 First Nation 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-First Nation 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, 2023

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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, 2023

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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 18 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, 2023

## 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. Tangible capital assets under work in progress are not amortized until the asset is available for use.

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%

# NADLEH WHUT'EN INDIAN BAND

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2023

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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, 2023

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## 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) Asset retirement obligations:

On April 1, 2022, the First nation adopted Canadian public sector accounting standard 3280 Asset Retirement Obligations. The new accounting standard addresses the reporting of legal obligations associated with the retirement of tangible capital assets. The standard was adopted using the prospective transitional provisions.

An asset retirement obligation is recognized when, as at the financial reporting date, all of the following criteria are met:

- a) there is a legal obligation to incur retirement costs in relation to a tangible capital asset;
- b) the past transaction or event giving rise to the liability has occurred;
- c) it is expected that future economic benefits will be given up; and
- d) a reasonable estimate of the amount can be made.

The estimate of the asset retirement obligation includes costs directly attributable to the asset retirement activities.

If the tangible capital asset is in productive use, the estimated obligation is recorded as a liability and increase to the related tangible capital asset. The increase to the tangible capital asset is amortized in accordance with the amortization accounting policy outlined in note 1(g). The carrying value of the liability is reviewed at each financial reporting date with changes to the amount of the original estimate of cash flows recorded as an adjustment to the asset retirement obligations liability and related tangible capital asset.

If the tangible capital asset is unrecognized or no longer in productive use, the asset retirement costs are expensed. The carrying value of the liability is reviewed at each financial reporting date with changes to the amount of the original estimate of cash flows recorded as an adjustment to the asset retirement obligations liability and expense.



# NADLEH WHUT'EN INDIAN BAND

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2023

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## 1. Significant accounting policies (continued):

### (l) 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.

### (m) 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.

The First Nation's implementation of PS3280 Asset Retirement Obligations has resulted in the requirement for management to make estimates regarding the useful lives of affected tangible capital assets and the expected retirement costs, as well as the timing and duration of these retirement costs.

Actual results could differ from those estimates.

# NADLEH WHUT'EN INDIAN BAND

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2023

## 1. Significant accounting policies (continued):

### (n) Financial instruments:

On April 1, 2022, the First Nation adopted Public Accounting Standard PS 3450 - Financial Instruments. The standard was adopted prospectively from the date of adoption.

The accounting standard establishes recognition, measurement, and disclosure requirements for derivative and non-derivative instruments. The standard requires fair value measurements of derivative and equity instruments; all other financial instruments can be measured at either cost or fair value depending upon elections made by the government.

Financial instruments are classified into two categories: fair value or cost.

Fair value category: the First Nation manages and reports performance for groups of financial assets on a fair-value basis. Cash and cash equivalents and marketable securities, if any, are reflected at fair value as at the reporting date. Sales and purchases of investments are recorded on the trade date. Transaction costs related to the acquisition of investments are recorded as an expense. Unrealized gains and losses on financial assets except for those related to restricted endowments and the research forest are recognized in the Statement of Remeasurement Gains and Losses until such time that the financial asset is derecognized due to disposal or impairment. At the time of derecognition, the related realized gains and losses are recognized in the Statement of Operations and Accumulated Surplus and related balances reversed from the Statement of Remeasurement Gains and Losses. There are no unrealized gains or losses as of March 31, 2023, as a result, the First Nation does not have a statement of Remeasurement Gains and Losses.

Cost category: Amounts receivable are measured at cost less any amount for valuation allowance. Valuation allowances are made when collection is in doubt.

## 2. Cash:

	2023	2022
Operating	\$ 24,832,327	\$ 5,043,611
Social Housing	166,557	158,987
Property Tax	423,365	310,449
Nadleh Store	136,248	48,652
Mortgage account	195,613	883,863
Replacement Reserve	129,111	127,867
Tse Yaz Bunket Gas Bar	165,465	-
	<u>\$ 26,048,686</u>	<u>\$ 6,573,429</u>

# NADLEH WHUT'EN INDIAN BAND

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2023

## 3. Accounts receivable:

	2023	2022
Indigenous Services Canada	\$ 69,536	\$ 187,588
Carrier Sekani Family Services	750,250	364,857
Carrier Sekani Tribal Council	81,220	1,319,472
Coastal Gaslink Pipeline	356,772	153,575
First National Emergency Services	141,319	26,319
First Nation Education Steering Committee	70,644	11,053
First Nation Health Authority	239,948	114,521
First Peoples' Heritage, Language and Culture	186,933	25,000
Horizon North	1,424,516	383,665
NWF Resources Limited Partnership	4,074,938	487,957
L'hai Ventures LP	646,424	-
Member loans	5,561	5,658
Prince George Nechako Aboriginal Employment and Training Association	12,941	17,213
Province of BC	27,966	200,618
Rent receivable	577,054	587,065
Union of BC Municipalities	347,427	347,427
Other	524,206	298,455
	9,537,655	4,530,443
Allowance for doubtful accounts	(643,290)	(643,290)
	8,894,365	3,887,153

# NADLEH WHUT'EN INDIAN BAND

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2023

## 4. Investments:

	2023	2022
Four Rivers Co-operative Equity Investments	\$ 144,015	\$ 136,865
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	26	25
	\$ 144,153	\$ 137,002

## 5. Ottawa Trust Fund:

	Revenue	Capital	2023	2022
Balance, beginning of year	\$ 1,285,978	\$ 14,423	\$ 1,300,401	\$ 1,427,811
Interest	22,004	-	22,004	10,490
Additions	445,554	-	445,554	163,507
Withdrawals	-	-	-	(301,407)
	\$ 1,753,536	\$ 14,423	\$ 1,767,959	\$ 1,300,401

# NADLEH WHUT'EN INDIAN BAND

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2023

## 6. Investments in government business entities:

	Investments	Advances	2023	2022
Chundo Yus Real Estate General Partner Ltd.	\$ (2,740)	\$ 2,761	\$ 21	\$ 21
Chundo Yus Forestry Limited Partnership	9,500	-	9,500	9,500
Chundo Yus Real Estate Limited Partnership	(584,137)	583,927	(210)	(210)
Endako Tsey GP Corp.	97	(50)	47	10
Endako Tsey Limited Partnership	459,000	(49)	458,951	98,808
Nadleh Limited Partner Ltd.	1	-	1	1
NWF Resources Limited Partnership	1	(1)	-	-
Lhai Ventures Limited Partnership	1,003,717	-	1,003,717	580,556
Lhai Ventures GP Corp.	103	-	103	56
	\$ 885,542	\$ 586,588	\$ 1,472,130	\$ 688,742

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

	2023	2022
Endako Tsey Limited Partnership	\$ 360,142	\$ 98,818
Endako Tsey GP Corp.	37	-
Lhai Ventures Limited Partnership	423,162	376,710
Lhai Ventures GP Corp.	47	32
	\$ 783,388	\$ 475,560

# NADLEH WHUT'EN INDIAN BAND

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2023

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

	2023	2022
<b>Endako Tsey Limited Partnership (49% ownership)</b>		
Financial position:		
Assets	\$ 990,190	\$ 211,653
Liabilities	(55,337)	(9,958)
Equity	(934,853)	(201,695)
Results of operations:		
Revenues	739,590	202,061
Expenses	(4,532)	(391)
Net earnings	735,058	201,670
Nation portion	360,142	98,818
<b>Lhai Ventures Limited Partnership (22.5% ownership)</b>		
Financial position:		
Assets	\$ 6,537,412	\$ 4,116,990
Liabilities	(4,518,430)	(1,536,524)
Equity	(2,018,982)	(2,580,466)
Results of operations:		
Revenue	7,157,543	4,742,243
Expenses	(5,276,636)	(3,128,134)
Net earnings	1,880,907	1,614,109
Nation portion	423,162	376,710

There were no material operations in the fiscal year ended March 31, 2022 or March 31, 2023 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

Entities are related to the First Nation as per note 1(a).

# NADLEH WHUT'EN INDIAN BAND

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2023

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

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 First Nation was classified as a government business enterprise in the previous fiscal years as it met the appropriate criteria. As of March 31, 2022, 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. This facility was not used as at March 31, 2023.

	2023	2022
Operating line of credit	\$ -	\$ 1,387

## 8. Accounts payable and accrued liabilities:

	2023	2022
Trade payables	\$ 479,390	\$ 282,357
Accrued payables	86,327	159,667
Wages and benefits payable	75,387	60,304
Vacation	73,096	79,223
	\$ 714,200	\$ 581,551

## 9. Deferred revenue:

	2023	2022
First Peoples Cultural Council	\$ 250,000	\$ -

# NADLEH WHUT'EN INDIAN BAND

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2023

## 10. Long-term debt:

	2023	2022
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.	\$ 10,101,841	\$ 10,589,114
Mortgage repaid in the year	-	14,578
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.	41,403	56,930
Government loan at 0% interest, repayable on the earlier of March 31, 2025 or a date on which the Claim is settled.	38,310	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	459,538
	<u>\$ 10,641,092</u>	<u>\$ 11,158,470</u>

Provided the lenders continue to renew the terms of the loans, the principal repayments are due as follows:

2024	\$ 502,800
2025	541,110
2026	957,163
2027	487,273
2028	487,273
Thereafter	7,665,473
	<u>\$ 10,641,092</u>



# NADLEH WHUT'EN INDIAN BAND

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2023

## 11. Tangible capital assets:

2023										
	Buildings and infrastructure	Automotive	Computer equipment	Office Equipment	Equipment	Roads and bridges	Computer software	Small equipment	Work in Progress	Total
<b>Cost:</b>										
Balance, beginning of year	\$ 41,019,379	\$ 833,182	\$ 110,684	\$ 240,010	\$ 320,961	\$ 1,767,694	\$ 25,964	\$ 170,976	\$ -	\$ 44,488,850
Additions	100,000	102,675	12,001	85,885	7,516	-	-	7,520	452,644	768,241
Balance, end of year	41,119,379	935,857	122,685	325,895	328,477	1,767,694	25,964	178,496	452,644	45,257,091
<b>Accumulated amortization:</b>										
Balance, beginning of year	16,671,620	540,356	93,541	137,594	307,877	250,262	25,759	82,899		18,109,908
Amortization expenses	1,326,137	56,147	8,613	28,798	4,978	75,872	205	17,226		1,517,976
Balance, end of year	17,997,757	596,503	102,154	166,392	312,855	326,134	25,964	100,125	-	19,627,884
Net book value, end of year	\$ 23,121,622	\$ 339,354	\$ 20,531	\$ 159,503	\$ 15,622	\$ 1,441,560	\$ -	\$ 78,371	\$ 452,644	\$ 25,629,207

# NADLEH WHUT'EN INDIAN BAND

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2023

## 11. Tangible capital assets (continued):

	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, 2023

## 12. Accumulated surplus:

	2023	2022
Operating fund	\$ 34,812,791	\$ 10,161,154
Ottawa Trust Fund	1,767,959	1,300,401
Invested in tangible capital assets	15,385,963	15,718,320
	<b>\$ 51,966,713</b>	<b>\$ 27,179,875</b>

## 13. Indigenous Services Canada:

	2023	2022
Funding received	\$ 3,940,983	\$ 3,779,434
Transferred from deferred revenue	-	629,866
	<b>\$ 3,940,983</b>	<b>\$ 4,409,300</b>

## 14. Own source:

	2023	2022
Rental revenue	\$ 132,943	\$ 156,369
Nadleh store sales	1,908,933	1,452,055
Tse Yaz Bunket gas bar sales	1,580,437	-
Coastal Gaslink	457,965	441,865
Property Tax	114,554	147,189
NWF Resources LP - Macro pipeline agreement	9,731,891	677,602
Horizon/Falcon camp services	3,065,922	1,293,745
Lhai Ventures LP	600,755	-
Other	234,477	126,045
	<b>\$ 17,827,877</b>	<b>\$ 4,294,870</b>

# NADLEH WHUT'EN INDIAN BAND

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2023

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## **15. 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 First Nation contributions for 2023 were \$97,099 (2022 - \$67,655).

## **16. 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, 2023

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## 17. 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, 2023

## 17. Segmented information (continued):

2023																
	Administration		Capital	Community services	Economic development	Education	Housing	Social services	Total							
Revenue:																
Indigenous Service Canada	\$	378,279	\$	176,304	\$	728,584	\$	459,211	\$	1,315,473	\$	52,933	\$	830,199	\$	3,940,983
First Nations Health Authority		117,837		-		299,713		-		291,422		-		-		708,972
Province of British Columbia		-		537,255		464,574		10,520,017		-		-		60,000		11,581,846
Interest		139,712		11,726		-		115,642		-		1,321		-		268,401
Ottawa Trust Fund income		430,091		-		-		-		-		-		-		430,091
Other income		25,658		-		10,083		935,607		100,789		-		20		1,072,157
Carrier Sekani Family Services		8,000		-		443,803		19,209		-		-		515,794		986,806
Carrier Sekani Tribal Council		-		-		68,474		26,137		-		-		-		94,611
First Nations Education																
Steering Committee		13,492		-		155,000		-		-		-		-		168,492
Tse Yaz Bunket gas bar sales		-		-		-		1,580,437		-		-		-		1,580,437
Nadleh Store		-		-		-		1,908,933		-		-		-		1,908,933
Own Source - Other		20,710		-		1,500		212,267		-		-		-		234,477
NWF Resources LP -																
Macro pipeline		-		-		-		9,731,891		-		-		-		9,731,891
Horizon/Falcon camp services		-		-		-		3,065,922		-		-		-		3,065,922
Lhai Ventures LP		-		-		-		600,755		-		-		-		600,755
Coastal Gaslink		-		-		-		457,965		-		-		-		457,965
Property Tax		114,554		-		-		-		-		-		-		114,554
Rental Revenue		7,795		-		-		-		-		125,148		-		132,943
Total revenue		1,256,128		725,285		2,171,731		29,633,993		1,707,684		179,402		1,406,013		37,080,236

# NADLEH WHUT'EN INDIAN BAND

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2023

## 17. Segmented information (continued):

	2023							
	Administration	Capital	Community services	Economic development	Education	Housing	Social services	Total
<b>Expenses:</b>								
Amortization	-	1,495,396	-	-	-	22,580	-	1,517,976
Bad debt	-	-	-	7,135	-	-	-	7,135
Consulting fees	685,707	119,315	218,379	347,123	99,114	567	20,000	1,490,205
Small equipment purchases	23,368	-	11,250	29,929	-	-	-	64,547
Honoraria	235,315	-	120,582	10,749	1,800	-	10,000	378,446
Insurance	54,558	-	-	16,131	3,177	25,175	13,704	112,745
Materials and supplies	112,073	-	375,720	87,367	42,693	4,401	24,369	646,623
Meetings	101,031	-	82,519	90,264	-	-	10,890	284,704
Other	118,156	11,693	114,628	171,511	655,090	(1,152)	347,664	1,417,590
Professional fees	101,687	-	-	3,563	-	-	-	105,250
Repairs and maintenance	48,550	40,780	125,168	104,898	15,922	12,888	32,684	380,890
Salaries and wages	582,327	-	545,101	1,054,824	116,140	22,967	240,029	2,561,388
Telephone and utilities	123,660	-	3,067	144,021	16,228	1,702	14,278	302,956
Training	56,202	-	-	24,586	14,270	-	-	95,058
Travel and accommodations	112,540	-	66,630	12,958	10,004	576	67,252	269,960
Interest	-	312,208	-	-	-	-	-	312,208
Membership inflation	-	-	-	295,000	-	-	-	295,000
Tse Yaz Bunket gas bar								
cost of sales	-	-	-	1,212,154	-	-	-	1,212,154
Nadleh Store cost of sales	-	-	-	1,629,183	-	-	-	1,629,183
<b>Total expenses</b>	<b>2,355,174</b>	<b>1,979,392</b>	<b>1,663,044</b>	<b>5,241,396</b>	<b>974,438</b>	<b>89,704</b>	<b>780,870</b>	<b>13,084,018</b>
Revenue over (under) expenses	(1,099,046)	(1,254,107)	508,687	24,392,597	733,246	89,698	625,143	23,996,218
Other expenses (income)	(1,371,993)	-	36,973	282,408	143,116	9,300	109,576	(790,620)
<b>Surplus (deficit)</b>	<b>\$ 272,947</b>	<b>\$ (1,254,107)</b>	<b>\$ 471,714</b>	<b>\$ 24,110,189</b>	<b>\$ 590,130</b>	<b>\$ 80,398</b>	<b>\$ 515,567</b>	<b>\$ 24,786,838</b>

# NADLEH WHUT'EN INDIAN BAND

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2023

## 17. 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	
Ottawa 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, 2023

## 17. 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 debts	-	-	1,934	12,046	-	-	-	13,980
Consulting fees	586,677	663,266	220,850	1,185,568	118,006	5,230	-	2,779,597
Small 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	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
Total expenses	1,965,550	2,436,560	1,323,388	3,981,967	1,145,406	167,343	608,026	11,628,240
Revenue (under) over expenses	(609,835)	(1,109,361)	137,564	4,344,436	519,377	(19,120)	167,644	3,430,705
Other (income) expense	(350,119)	-	41,486	(367,771)	139,092	8,820	46,421	(482,071)
Surplus (deficit)	\$ (259,716)	\$ (1,109,361)	\$ 96,078	\$ 4,712,207	\$ 380,285	\$ (27,940)	\$ 121,223	\$ 3,912,776

# NADLEH WHUT'EN INDIAN BAND

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2023

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## 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 \$12,460 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.

## 19. Asset retirement obligation:

The First Nation owns and operates several buildings that are known to have asbestos, which represents a health hazard upon demolition of the buildings and there is a legal obligation to remove it. In the 2023 initial recognition year, the First Nation recognized an obligation relating to the removal and post-removal care of the asbestos in these buildings as estimated at March 31, 2023 in the undiscounted amount of \$100,000.

## 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.