

**Stellat'en First Nation
Consolidated Financial Statements**

March 31, 2020

**Stellat'en First Nation
Contents**
For the year ended March 31, 2020

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Management's Responsibility

To the Members of Stellat'en First Nation:

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

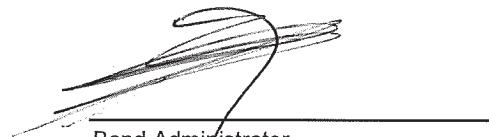
Management is responsible for the preparation and presentation of the accompanying consolidated financial statements, including responsibility for significant accounting judgments and estimates in accordance with Canadian public sector accounting standards. This responsibility includes selecting appropriate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

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

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

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

July 23, 2020



Band Administrator

Independent Auditor's Report

To the Members of Stellat'en First Nation:

Opinion

We have audited the consolidated financial statements of Stellat'en First Nation (the "First Nation"), which comprise the consolidated statement of financial position as at March 31, 2020, and the consolidated statements of operations, accumulated surplus, changes in net financial assets and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and related schedules.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the First Nation as at March 31, 2020, and the results of its consolidated 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 Consolidated Financial Statements section of our report. We are independent of the First Nation in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

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

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

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

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

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the First Nation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the First Nation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the First Nation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the First Nation to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

Prince George, British Columbia

July 23, 2020

MNP LLP

Chartered Professional Accountants

MNP
LLP

Stellat'en First Nation
Consolidated Statement of Financial Position
As at March 31, 2020

	2020	2019
Financial assets		
Cash	1,373,050	1,181,416
Portfolio investments (Note 3)	2,264,049	2,278,652
Accounts receivable (Note 4)	2,080,704	523,827
Funds held in trust (Note 5)	9,224	7,847
Advances to related Nation entities and department (Note 6)	3,880	3,880
Investment in Nation business entities (Note 7)	113,339	206,172
Total of assets	5,844,246	4,201,794
Liabilities		
Accounts payable and accruals (Note 9)	377,990	336,496
Deferred revenue (Note 10)	71,973	-
Debt (Note 11)	2,308,547	2,508,316
Total of financial liabilities	2,758,510	2,844,812
Net financial assets	3,085,736	1,356,982
Contingencies (Note 12)		
Subsequent event (Note 13)		
Non-financial assets		
Tangible capital assets (Schedule 1)	12,655,453	12,702,495
Prepaid expenses	22,625	20,294
Total non-financial assets	12,678,078	12,722,789
Accumulated surplus (Note 14)	15,763,814	14,079,771

Approved on behalf of the Council:



Chief



Councilor



Stellat'en First Nation
Consolidated Statement of Operations and Accumulated Surplus
For the year ended March 31, 2020

	<i>Schedules</i>	<i>2020 Budget (Note 18)</i>	<i>2020</i>	<i>2019</i>
Revenue				
Indigenous Services Canada (Note 16)		2,632,443	2,668,843	3,275,717
First Nations Health Authority		108,265	130,076	117,689
Canada Mortgage and Housing Corporation		15,400	12,550	13,600
Ottawa trust fund		-	1,377	1,401
Carrier Sekani Tribal Council		1,508,760	2,395,048	283,890
Carrier Sekani Tribal Council loan forgiveness (Treaty) (Note 11)		-	1,097,273	-
Resource industry revenue		1,058,438	928,043	1,714,309
Other revenue		1,537,506	825,337	332,606
Carrier Sekani Family Services		308,709	286,913	386,778
Province of British Columbia		1,363,621	218,398	117,384
Prince George Aboriginal Employment and Training Association		117,283	111,181	77,940
Earnings (loss) from investment in Nation business entities		-	(92,833)	173,294
		8,650,425	8,582,206	6,494,608
Expenses				
Band Government	3	1,397,120	1,885,211	1,421,405
Social Assistance	4	430,351	457,302	430,505
Education	5	1,201,730	941,091	1,076,045
Operations & Maintenance	6	442,522	494,619	741,595
Economic Development	7	378,425	445,605	357,714
Community Health	8	430,746	366,833	396,387
Other	9	1,117,591	1,137,532	1,167,389
Capital	10	492,956	1,169,970	1,205,772
Total Expenses (Schedule 2)		5,891,441	6,898,163	6,796,812
Annual surplus (deficit)		2,758,984	1,684,043	(302,204)
Accumulated surplus, beginning of year		14,079,771	14,079,771	14,381,975
Accumulated surplus, end of year		16,838,755	15,763,814	14,079,771

Stellat'en First Nation
Consolidated Statement of Changes in Net Financial Assets
For the year ended March 31, 2020

	2020 <i>Budget</i> <i>(Note 18)</i>	2020	2019
Annual surplus (deficit)	2,758,984	1,684,043	(302,204)
Purchases of tangible capital assets	(967,985)	(768,899)	(3,600,419)
Amortization of tangible capital assets	-	815,941	776,368
Acquisition of prepaid expenses	-	(2,331)	-
Use of prepaid expenses	-	-	5,186
Increase (decrease) in net financial assets	1,790,999	1,728,754	(3,121,069)
Net financial assets, beginning of year	1,356,982	1,356,982	4,478,051
Net financial assets, end of year	3,147,981	3,085,736	1,356,982

Stellat'en First Nation
Consolidated Statement of Cash Flows
For the year ended March 31, 2020

	2020	2019
Cash provided by (used for) the following activities		
Operating activities		
Annual surplus (deficit)	1,684,043	(302,204)
Non-cash items		
Amortization	815,941	776,368
(Earnings) loss from investment in Nation business entities	92,833	(173,294)
Interest income from Ottawa Trust Fund	(1,377)	(1,401)
Carrier Sekani Tribal Council loan forgiveness (Treaty) (Note 11)	(1,097,272)	-
	1,494,168	299,469
Changes in working capital accounts		
Accounts receivable	(1,556,877)	(243,767)
Prepaid expenses	(2,331)	5,186
Accounts payable and accruals	41,494	(227,054)
Deferred revenue	71,973	(789,687)
	48,427	(955,853)
Financing activities		
Advances of debt	1,000,000	1,000,000
Repayment of debt	(102,497)	(23,751)
	897,503	976,249
Capital activities		
Purchases of tangible capital assets	(768,899)	(3,600,419)
Investing activities		
Purchase of portfolio investments	(287,131)	(46,851)
Proceeds on disposal of portfolio investments	301,734	113,844
Repayment of advances to related Nation entities	-	197,017
	14,603	264,010
Increase (decrease) in cash	191,634	(3,316,013)
Cash, beginning of year	1,181,416	4,497,429
Cash, end of year	1,373,050	1,181,416

Stellat'en First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2020

1. Operations

The Stellat'en First Nation (the "Nation") is located in the province of British Columbia, and provides various services to its members. Stellat'en First Nation includes the Nation's members, government and all related entities that are accountable to the Nation and are either owned or controlled by the Nation.

2. Significant accounting policies

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

Basis of presentation

Sources of revenue and expenses are recorded on the accrual basis of accounting. The accrual basis of accounting recognizes revenue as it becomes available and measurable; expenses are recognized as they are incurred and measurable as a result of the receipt of goods or services and the creation of a legal obligation to pay.

Reporting entity

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

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

- 0987339 B.C. Ltd.
- Stellako Custom Wood Ltd.

Portfolio investments

Long-term investments in entities that are not owned, controlled or influenced by the First Nation reporting entity are accounted for using the cost method. They are recorded at cost, less any provision for other than temporary impairment.

Tangible capital assets

Tangible capital assets are initially recorded at cost based on historical cost accounting records. Contributed tangible assets are recorded at their fair value at the date of contribution. All intangible assets and items inherited by the rights of the Nation, such as reserve land, forests, water and mineral resources are not recognized as assets in the Nation's consolidated financial statements. Historic works of art and treasures are not recorded as assets in these consolidated financial statements.

Amortization

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

	Rate
Building and infrastructure	4 %
Machinery and equipment	30 %
Office equipment	30 - 55 %
Automobile	30 %

Stellat'en First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2020

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

Funds held in Trust

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

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

Net financial assets

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

Asset classification

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

Revenue recognition

Government Transfers

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

Ottawa Trust Fund revenue

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

Other

Revenue such as resources industry revenue, administration fee revenue, and other revenue is recognized when performance is achieved, amounts are reasonably estimated and collection is reasonably assured.

Measurement uncertainty (use of estimates)

The preparation of consolidated financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenue and expenses during the reporting period.

Accounts receivable and advances to related Nation entities are stated after evaluation as to their collectability and an appropriate allowance for doubtful accounts is provided where considered necessary. Amortization is based on the estimated useful lives of tangible capital assets. Liabilities for contaminated sites are estimated based on the best information available regarding potentially contaminated sites that the Nation is responsible for.

These estimates are reviewed periodically and, as adjustments become necessary, they are reported in annual surplus in the periods in which they become known.

Stellat'en First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2020

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

Long-lived assets

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

The Nation does not perform impairment testing on its long-lived assets that are held for public administration and situated on its reserve land as it is not possible to determine their fair market value.

Segments

The First Nation conducts its business through a number of reportable segments as described in Note 17. These operating segments are established by senior management to facilitate the achievement of the First Nation's long-term objectives to aid in resource allocation decisions, and to assess operational performance.

For each reported segment, revenue and expenses represent both amounts that are directly attributable to the segment and amounts that are allocated on a reasonable basis.

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

Liability for contaminated site

A liability for remediation of a contaminated site is recognized at the best estimate of the amount required to remediate the contaminated site when contamination exceeding an environmental standard exists, the First Nation is either directly responsible or accepts responsibility, it is expected that future economic benefits will be given up, and a reasonable estimate of the amount is determinable. The best estimate of the liability includes all costs directly attributable to remediation activities and is reduced by expected net recoveries based on information available at March 31, 2020.

At each financial reporting date, the First Nation reviews the carrying amount of the liability. Any revisions required to the amount previously recognized is accounted for in the period revisions are made. The First Nation continues to recognize the liability until it is settled or otherwise extinguished. Disbursements made to settle the liability are deducted from the reported liability when they are made. As at March 31, 2020, no liability for contaminated sites exist.

Stellat'en First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2020

3. Portfolio investments

	2020	2019
CIBC Wood Gundy	2,177,693	2,192,296
Walton Investment Group LLP	86,356	86,356
	2,264,049	2,278,652

The funds can only be used with the consent of the membership. Market value of CIBC Wood Gundy portfolio investments is \$2,046,117 (2019 - \$1,702,219). Walton Investment Group LLP is not in an active market, no market value available at March 31, 2020.

4. Accounts receivable

	2020	2019
Indigenous Services Canada	51,671	264,809
Goods and Services Tax Receivable	12,479	3,803
Province of British Columbia	30,000	34,000
Carrier Sekani Tribal Council	1,690,775	-
Carrier Sekani Family Services	69,304	108,313
Members of the Nation	12,622	2,866
Other	245,199	141,382
Subtotal	2,112,050	555,173
Less: allowance for doubtful accounts	(31,346)	(31,346)
	2,080,704	523,827

5. Funds held in trust

	2020	2019
Capital Trust		
Balance, beginning and end of year	2,202	2,202
Revenue Trust		
Balance, beginning of year	5,645	4,244
Interest	136	162
Special (British Columbia)	1,241	1,239
Balance, end of year	7,022	5,645
	9,224	7,847

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

Stellat'en First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2020

6. Advances to related Nation entities

	2020	2019
Demand promissory note		
Slenyah Store Limited Partnership	162,890	162,890
Advances to (from) Nation entities		
Stellat'en Duchun Forestry Inc.	10,411	10,411
Stellat'en Holdings Inc.	9,175	9,175
Slenyah Store Inc.	1,833	1,833
Slenyah Store Limited Partnership	(162,890)	(162,890)
Stellat'en Holdings Limited Partnership	(17,459)	(17,459)
	(158,930)	(158,930)
Advances from Nation business entities		
0987339 BC Ltd.	(40)	(40)
Stellako Custom Wood Ltd.	(40)	(40)
	(80)	(80)
	3,880	3,880

Demand promissory note and advances to (from) related Nation business entities are unsecured, non-interest bearing and have no set terms of repayment.

Stellat'en First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2020

7. Investment in Nation business entities

The First Nation has investments in the following entities:

	<i>Investment cost</i>	<i>Loans / advances</i>	<i>Current share of earnings (loss)</i>	2020
Wholly-owned Businesses:				
Stellako Custom Wood Ltd.	40	-	-	40
0987339 BC Ltd.	206,132	-	(92,833)	113,299
	206,172	-	(92,833)	113,339

	<i>Investment cost</i>	<i>Loans / advances</i>	<i>Current share of earnings (loss)</i>	2019
Wholly-owned Businesses:				
Stellako Custom Wood Ltd.	40	-	-	40
0987339 BC Ltd.	32,838	-	173,294	206,132
	32,878	-	173,294	206,172

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

	<i>Stellako Custom Wood Ltd.</i>	<i>0987339 BC Ltd.</i>	
	<i>As at March 31, 2020</i>	<i>As at March 31, 2020</i>	
Assets			
Accounts receivable	40	40	
Investment in partnership	-	396,068	
Total assets	40	396,108	
Accounts payable and accruals	-	2,500	
Advances from related parties	-	9,318	
Deficiency in partnership investment	-	158,245	
Total liabilities	-	170,063	
Retained Earnings	40	226,045	
Total revenue	-	(86,017)	
Total expenses	-	6,816	
Comprehensive income	-	(92,833)	

The reported amounts for 0987339 BC Ltd. include the results of the following consolidated entities: Stellat'en Holdings LP and Stellat'en Holdings Inc. The year-end for Stellat'en Holdings LP is December 31, 2019. No significant or unusual transactions occurred between December 31, 2019 and March 31, 2020, therefore the December 31, 2019 figures are included without adjustment.

Stellat'en First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2020

8. Credit facility

At March 31, 2020, the First Nation had available lines of credit totaling \$100,000 (2019 - \$100,000), none of which were drawn at year-end. The following has been collateralized in connection with this line of credit:

- General security agreement;
- Band Council Resolution authorizing borrowings and pledge of security; and
- Unlimited hypothecation on portfolio investment at CIBC Wood Gundy (March 31, 2020 - market value of \$2,046,117).

9. Accounts payable and accruals

	2020	2019
Accounts payable and accruals	265,421	241,017
Wages payable	110,258	85,089
Government remittances payable	2,311	10,390
	<hr/> 377,990	<hr/> 336,496

10. Deferred revenue

The Nation has recorded \$71,973 (2019 - \$nil) of externally restricted funding as deferred revenue to be used in the completion of ongoing capital projects, related to ICMS #9-00128118.

Stellat'en First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2020

11. Debt

	2020	2019
CIBC Housing Loan, repayable in monthly installments of \$8,333 plus interest at bank prime rate (2.95% - March 31, 2020), secured by portfolio investments with a market value of \$2,046,117 (2019 - \$1,702,219) and a Band Council Resolution authorizing borrowings and pledge of security	1,908,334	997,364
CIBC demand loan, repayable in monthly instalments of \$2,774 including interest at bank prime rate (2.45% - March 31, 2020), secured by portfolio investments market value of \$2,046,117 (2019 - \$1,702,219) and a Band Council Resolution authorizing borrowings and pledge of security	400,213	413,679
Carrier Sekani Tribal Council Treaty Negotiation Loan (see below for details)	-	1,097,273
	2,308,547	2,508,316

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

2021	123,740
2022	124,329
2023	124,931
2024	125,549
2025	126,182
	<hr/>
	624,731
Thereafter	<hr/>
	1,683,816

Effective March 31, 2020, \$1,097,273 in comprehensive land claim negotiation debt owed to Carrier Sekani Tribal Council by Stellat'en First Nation has been forgiven by the Tribal Council.

12. Contingencies

The Nation is a defendant in several lawsuits and is involved in various actions related to land leases, environmental damages, third party liability, garnishment, indemnification, compensatory damages and contract breach. Management cannot determine whether any claims will be successful and cannot estimate the potential loss, if any.

The First Nation is subject to funding recoveries according to their agreements with federal government agencies. It has not yet been determined to what extent any funding amounts related to the year ended March 31, 2020 might be recovered.

13. Subsequent event

Subsequent to year-end, there was a global outbreak of COVID-19 (coronavirus), which has had a significant impact on businesses through the restrictions put in place by the Canadian, provincial and municipal governments regarding travel, business operations and isolation/quarantine orders. At this time, it is unknown the extent of the impact the COVID-19 outbreak may have on the Nation as this will depend on future developments that are highly uncertain and that cannot be predicted with confidence. These uncertainties arise from the inability to predict the ultimate geographic spread of the disease, and the duration of the outbreak, including the duration of travel restrictions, business closures or disruptions, and quarantine/isolation measures that are currently, or may be put, in place by Canada and other countries to fight the virus.

Stellat'en First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2020

14. Accumulated surplus

Accumulated surplus consists of the following:

	2020	2019
Equity in Ottawa Trust Funds	9,224	7,846
Equity in operating fund	5,294,345	3,671,574
Equity in tangible capital assets	10,346,906	10,194,179
Investment in Nation business entities	113,339	206,172
	<hr/>	<hr/>
	15,763,814	14,079,771
	<hr/>	<hr/>

15. Economic dependence

Stellat'en First Nation receives a significant portion of revenue from Indigenous Services Canada ("ISC") as a result of funding agreements entered into with the Government of Canada. These funding agreements are administered by ISC under the terms and conditions of the *Indian Act*. The ability of the First Nation to continue operations is dependent upon the Government of Canada's continued financial commitments as guaranteed by these funding agreements.

16. Indigenous Services Canada funding reconciliation

	2020	2019
Direct Nation Funding		
ISC revenue per confirmation	2,740,816	2,465,057
Deferred revenue to subsequent year	(71,973)	-
Deferred revenue recognized during the year	-	789,687
Additional subsidy from ISC	-	20,973
	<hr/>	<hr/>
	2,668,843	3,275,717
	<hr/>	<hr/>

Stellat'en First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2020

17. Segments

The Nation receives revenues and incurs expenses from many different projects and sources. For management and reporting purposes, the revenues, expenses and surplus or deficits are attributed to the following segments:

Band Government:

Includes general operations, support and financial management of the Nation.

Social Assistance:

Includes revenues and expenses relating to social assistance members of the Nation.

Education:

Includes revenue and expenses relating to the primary, secondary and post secondary education of the members of the Nation.

Operations and Maintenance:

Includes operations and maintenance of buildings and infrastructure held by the Nation.

Economic Development:

Includes activities related to economic development with the Nation.

Community Health:

Includes activities related to the provision of health services with the Nation.

Other:

Includes revenue and expenditures related to programs put on to support the Stellat'en First Nation community.

Capital:

Includes revenue and expenditures related to capital projects.

18. Budget information

The disclosed budget information has been approved by Chief and Council of the Stellat'en First Nation at the Chief and Council meeting held on September 27, 2019. The budget information on the Consolidated Statement of Operations and Accumulated Surplus is presented using the same accounting policies as the actual results. A reconciliation from those results to the surplus amount budgeted by Chief and Council is included below:

Budgeted surplus per Statement of Operations	2,758,984
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Adjusted for:

Transfers	(586,246)
Acquisition of tangible capital assets	(967,985)

Budgeted surplus as approved by Chief and Council	1,204,753
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Stellat'en First Nation

Schedule 1 - Consolidated Schedule of Tangible Capital Assets

For the year ended March 31, 2020

	<i>Automobile</i>	<i>Building and infrastructure</i>	<i>Machinery and equipment</i>	<i>Office equipment</i>	<i>2020</i>	<i>2019</i>
Cost						
Balance, beginning of year	115,397	22,220,546	686,664	293,360	23,315,967	19,715,548
Acquisition of tangible capital assets	101,744	633,997	13,832	19,326	768,899	3,600,419
Balance, end of year	217,141	22,854,543	700,496	312,686	24,084,866	23,315,967
Accumulated amortization						
Balance, beginning of year	112,551	9,664,179	561,622	275,120	10,613,472	9,837,104
Annual amortization	16,115	751,434	39,595	8,797	815,941	776,368
Balance, end of year	128,666	10,415,613	601,217	283,917	11,429,413	10,613,472
Net book value of tangible capital assets						
2019 Net book value of tangible capital assets	88,475	12,438,930	99,279	28,769	12,655,453	12,702,495

Stellat'en First Nation
Schedule 2 - Consolidated Schedule of Expenses by Object
For the year ended March 31, 2020

	2020 <i>Budget</i> <i>(Note 18)</i>	2020	2019
Consolidated expenses by object			
Wages and benefits	1,343,616	1,361,271	1,391,549
Litigation	600,000	962,722	456,545
Contract services	553,089	611,384	939,007
Office and miscellaneous	731,563	539,831	618,848
Tuition	630,343	487,267	609,180
Allowances	422,605	460,463	408,447
Travel and training	236,345	459,760	279,771
Supplies and other	244,369	259,142	277,837
Honouraria	201,500	240,139	229,927
Repairs and maintenance	415,273	212,257	246,766
Professional fees	79,967	154,921	314,513
Interest and bank charges	26,300	127,797	61,337
Insurance	80,187	68,618	35,529
Telephone	50,976	62,138	51,960
Utilities	66,827	48,385	70,699
Licenses and memberships	108,481	25,291	8,529
Training	100,000	734	11,594
Bad debts	-	102	8,406
Amortization	-	815,941	776,368
	5,891,441	6,898,163	6,796,812

Stellat'en First Nation
Band Government
Schedule 3 - Consolidated Schedule of Revenue and Expenses and Accumulated Deficit
For the year ended March 31, 2020

	2020 Budget (Note 18)	2020	2019
Revenue			
Indigenous Services Canada	248,471	311,095	261,965
Ottawa trust fund	-	1,377	1,401
Other revenue	100,400	503,910	123,460
Province of British Columbia	48,000	72,529	47,384
Resource industry revenue	281,010	16,122	(3,792)
	677,881	905,033	430,418
Expenses			
Litigation	600,000	962,722	456,544
Wages and benefits	313,245	337,734	419,098
Honouraria	141,000	176,604	133,655
Travel and training	49,500	79,625	55,670
Professional fees	52,600	64,068	47,986
Office and miscellaneous	71,073	61,741	72,536
Supplies and other	41,550	56,316	31,413
Interest and bank charges	26,300	32,683	26,119
Telephone	21,910	29,227	21,808
Contract services	35,500	26,971	79,008
Licenses and memberships	2,350	21,227	2,309
Repairs and maintenance	21,000	18,357	52,828
Insurance	15,392	11,493	8,371
Utilities	5,700	6,341	5,654
Bad debts	-	102	8,406
	1,397,120	1,885,211	1,421,405
Annual deficit	(719,239)	(980,178)	(990,987)
Transfers between programs	78,594	(110,674)	54,779
Change in accumulated deficit	(640,645)	(1,090,852)	(936,208)
Accumulated deficit, beginning of year	(2,288,731)	(2,288,731)	(1,352,523)
Accumulated deficit, end of year	(2,929,376)	(3,379,583)	(2,288,731)

Stellat'en First Nation
Social Assistance
Schedule 4 - Consolidated Schedule of Revenue and Expenses and Accumulated Deficit
For the year ended March 31, 2020

	2020 Budget (Note 18)	2020	2019
Revenue			
Indigenous Services Canada	480,274	483,378	474,768
Other revenue	-	-	999
	480,274	483,378	475,767
Expenses			
Allowances	261,605	311,778	284,547
Office and miscellaneous	97,944	82,452	85,056
Wages and benefits	51,462	44,731	44,887
Honouraria	7,500	8,100	7,408
Travel and training	4,200	5,365	4,246
Telephone	3,340	2,946	2,982
Supplies and other	3,600	1,180	1,219
Contract services	200	750	25
Repairs and maintenance	500	-	135
	430,351	457,302	430,505
Annual surplus	49,923	26,076	45,262
Transfers between programs	(179,652)	(179,652)	(54,347)
Change in accumulated surplus	(129,729)	(153,576)	(9,085)
Accumulated surplus, beginning of year	80,398	80,398	89,483
Accumulated surplus (deficit), end of year	(49,331)	(73,178)	80,398

Stellat'en First Nation

Education

Schedule 5 - Consolidated Schedule of Revenue and Expenses and Accumulated Surplus

For the year ended March 31, 2020

	2020 Budget (Note 18)	2020	2019
Revenue			
Indigenous Services Canada	767,538	771,256	758,072
Prince George Aboriginal Employment and Training Association	117,283	111,181	77,940
Other revenue	6,034	75,205	93,496
	890,855	957,642	929,508
Expenses			
Tuition	630,343	486,617	609,180
Allowances	161,000	148,685	123,900
Wages and benefits	94,496	131,406	116,487
Travel and training	63,000	70,050	38,408
Office and miscellaneous	69,651	33,480	62,782
Supplies and other	53,040	23,123	58,825
Honouraria	-	22,175	31,050
Repairs and maintenance	10,000	8,792	20,454
Telephone	8,200	7,439	7,879
Contract services	1,500	5,633	1,730
Licenses and memberships	4,500	1,888	3,854
Insurance	1,000	1,069	657
Training	100,000	734	839
Professional fees	5,000	-	-
	1,201,730	941,091	1,076,045
Annual surplus (deficit)	(310,875)	16,551	(146,537)
Transfers between programs	80,551	412,625	456,392
Change in accumulated surplus	(230,324)	429,176	309,855
Accumulated surplus, beginning of year	582,447	582,447	272,592
Accumulated surplus, end of year	352,123	1,011,623	582,447

**Stellat'en First Nation
Operations & Maintenance**

Schedule 6 - Consolidated Schedule of Revenue and Expenses and Accumulated Surplus

For the year ended March 31, 2020

	2020 Budget (Note 18)	2020	2019
Revenue			
Indigenous Services Canada	869,393	749,794	1,242,863
Other revenue	19,084	51,976	19,195
Resource industry revenue	-	4,950	-
	888,477	806,720	1,262,058
Expenses			
Repairs and maintenance	151,953	174,095	159,171
Wages and benefits	114,055	124,463	109,010
Professional fees	200	42,938	258,593
Supplies and other	15,200	37,690	23,321
Utilities	44,600	34,058	46,532
Insurance	31,295	30,369	13,311
Contract services	13,400	25,905	13,387
Office and miscellaneous	61,274	13,313	97,848
Telephone	7,250	7,927	8,330
Travel and training	2,800	3,631	1,972
Licenses and memberships	495	230	490
Training	-	-	9,630
	442,522	494,619	741,595
Annual surplus			
Transfers between programs	445,955	312,101	520,463
	217,975	210,172	83,499
Change in accumulated surplus			
Accumulated surplus, beginning of year	663,930	522,273	603,962
	3,257,163	3,257,163	2,653,201
Accumulated surplus, end of year			
	3,921,093	3,779,436	3,257,163

**Stellat'en First Nation
Economic Development**

Schedule 7 - Consolidated Schedule of Revenue and Expenses and Accumulated Surplus

For the year ended March 31, 2020

	2020 Budget (Note 18)	2020	2019
Revenue			
Indigenous Services Canada	30,451	30,451	30,062
Carrier Sekani Tribal Council	-	85,600	24,017
Resource industry revenue	-	68,142	15,000
Other revenue	136,000	4,470	(94,793)
Earnings (loss) from investment in Nation business entities	-	(92,833)	173,294
	166,451	95,830	147,580
Expenses			
Office and miscellaneous	191,100	174,275	173,548
Contract services	92,256	153,629	62,449
Wages and benefits	81,283	64,698	93,064
Travel and training	2,000	36,541	12,598
Supplies and other	3,000	6,788	4,293
Professional fees	7,600	4,402	5,692
Telephone	-	1,924	1,085
Utilities	-	968	703
Repairs and maintenance	-	966	-
Insurance	550	703	175
Licenses and memberships	636	636	1,386
Honouraria	-	75	2,721
	378,425	445,605	357,714
Annual deficit	(211,974)	(349,775)	(210,134)
Transfers between programs	(242,907)	91,821	(91,901)
Change in accumulated surplus	(454,881)	(257,954)	(302,035)
Accumulated surplus, beginning of year	1,140,710	1,140,710	1,442,745
Accumulated surplus, end of year	685,829	882,756	1,140,710

Stellat'en First Nation
Community Health
Schedule 8 - Consolidated Schedule of Revenue and Expenses and Accumulated Surplus
For the year ended March 31, 2020

	2020 Budget (Note 18)	2020	2019
Revenue			
First Nations Health Authority	108,265	130,076	117,689
Indigenous Services Canada	47,141	47,750	247,141
Carrier Sekani Family Services	306,709	286,913	386,778
Province of British Columbia	-	30,000	30,000
Other revenue	16,000	16,989	29,282
	478,115	511,728	810,890
Expenses			
Wages and benefits	240,105	242,841	234,042
Travel and training	52,820	51,663	58,133
Office and miscellaneous	71,700	27,266	75,643
Insurance	21,362	16,986	9,932
Contract services	-	8,522	2,430
Telephone	5,100	7,039	5,711
Supplies and other	23,779	6,383	7,081
Utilities	2,500	2,879	2,683
Repairs and maintenance	12,000	1,944	657
Licenses and memberships	-	1,310	-
Professional fees	1,380	-	75
	430,746	366,833	396,387
Annual surplus	47,369	144,895	414,503
Transfers between programs	77,507	297,003	12,847
Change in accumulated surplus	124,876	441,898	427,350
Accumulated surplus, beginning of year	3,703,435	3,703,435	3,276,085
Accumulated surplus, end of year	3,828,311	4,145,333	3,703,435

Stellat'en First Nation

Other

Schedule 9 - Consolidated Schedule of Revenue and Expenses and Accumulated Surplus

For the year ended March 31, 2020

	2020 Budget (Note 18)	2020	2019
Revenue			
Indigenous Services Canada	-	85,944	-
Carrier Sekani Tribal Council	1,508,760	2,309,448	259,873
Carrier Sekani Tribal Council loan forgiveness (Treaty) (Note 11)	-	1,097,273	-
Resource industry revenue	777,428	838,828	1,703,101
Other revenue	259,988	171,887	160,967
Province of British Columbia	1,315,621	115,869	40,000
Carrier Sekani Family Services	2,000	-	-
	3,863,797	4,619,249	2,163,941
Expenses			
Wages and benefits	407,132	370,457	285,907
Contract services	283,202	280,688	629,103
Travel and training	51,525	208,612	90,824
Office and miscellaneous	168,302	146,327	51,029
Professional fees	11,387	43,513	2,032
Supplies and other	23,700	34,494	32,351
Honouraria	53,000	33,185	55,093
Insurance	7,587	7,998	3,084
Repairs and maintenance	4,000	4,968	12,606
Telephone	4,336	4,557	3,325
Utilities	3,420	2,083	910
Tuition	-	650	-
Licenses and memberships	100,000	-	-
Training	-	-	1,125
	1,117,591	1,137,532	1,167,389
Annual surplus	2,746,206	3,481,717	996,552
Transfers between programs	(598,882)	(851,862)	(441,268)
Change in accumulated surplus	2,147,324	2,629,855	555,284
Accumulated surplus, beginning of year	4,726,534	4,726,534	4,171,250
Accumulated surplus, end of year	6,873,858	7,356,389	4,726,534

Stellat'en First Nation
Capital
Schedule 10 - Consolidated Schedule of Revenue and Expenses and Accumulated
Surplus

For the year ended March 31, 2020

	2020 Budget (Note 18)	2020	2019
Revenue			
Indigenous Services Canada	189,175	189,175	260,846
Canada Mortgage and Housing Corporation	15,400	12,550	13,600
Other revenue	1,000,000	900	-
	1,204,575	202,625	274,446
Expenses			
Contract services	127,031	109,285	150,875
Supplies and other	80,500	93,168	119,334
Interest and bank charges	-	95,114	35,218
Wages and benefits	41,839	44,940	89,053
Travel and training	10,500	4,272	17,920
Repairs and maintenance	215,819	3,135	916
Utilities	10,607	2,056	14,217
Telephone	840	1,080	840
Office and miscellaneous	520	979	406
Professional fees	1,800	-	135
Insurance	3,000	-	-
Licenses and memberships	500	-	490
Amortization	-	815,941	776,368
	492,956	1,169,970	1,205,772
Annual deficit	711,619	(967,345)	(931,326)
Transfers between programs	(19,433)	130,567	(20,000)
Change in accumulated surplus	692,186	(836,778)	(951,326)
Accumulated surplus, beginning of year	2,877,817	2,877,817	3,829,143
Accumulated surplus, end of year	3,570,003	2,041,039	2,877,817