

Stellat'en First Nation
Consolidated Financial Statements
March 31, 2023

Stellat'en First Nation

Contents

For the year ended March 31, 2023

Page

Independent Auditor's Report

Consolidated Financial Statements

Consolidated Statement of Financial Position.....	1
Consolidated Statement of Operations and Accumulated Surplus.....	2
Consolidated Statement of Remeasurement Gains.....	3
Consolidated Statement of Changes in Net Financial Assets.....	4
Consolidated Statement of Cash Flows.....	5

Notes to the Consolidated Financial Statements.....	6
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Schedules

Schedule 1 - Consolidated Schedule of Tangible Capital Assets.....	17
Schedule 2 - Consolidated Schedule of Expenses by Object.....	18
Schedule 3 - Consolidated Schedule of Revenue and Expense and Accumulated Deficit - Nation Government.....	19
Schedule 4 - Consolidated Schedule of Revenue and Expenses and Accumulated Surplus - Social Assistance.....	20
Schedule 5 - Consolidated Schedule of Revenue and Expenses and Accumulated Surplus - Education.....	21
Schedule 6 - Consolidated Schedule of Revenue and Expenses and Accumulated Surplus - Operations & Maintenance.....	22
Schedule 7 - Consolidated Schedule of Revenue and Expenses and Accumulated Surplus - Economic Development.....	23
Schedule 8 - Consolidated Schedule of Revenue and Expenses and Accumulated Surplus - Community Health.....	24
Schedule 9 - Consolidated Schedule of Revenue and Expenses and Accumulated Surplus - Other.....	25
Schedule 10 - Consolidated Schedule of Revenue and Expenses and Accumulated Surplus - Capital.....	26

To the Members of Stelat'en First Nation:

Opinion

We have audited the consolidated financial statements of Stelat'en First Nation and its subsidiaries (the "Nation"), which comprise the consolidated statement of financial position as at March 31, 2023, and the consolidated statements of operations, accumulated operating surplus, remeasurement gains, changes in net financial assets, cash flows and the related schedules for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Nation as at March 31, 2023, and the results of its consolidated operations, its consolidated remeasurement gains and losses, changes in its net financial assets 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 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 Nation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Nation or to cease operations, or has no realistic alternative but to do so.

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

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 Nation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Nation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our 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 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 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 26, 2023

MNP LLP

Chartered Professional Accountants

Stellat'en First Nation

Consolidated Statement of Financial Position

As at March 31, 2023

	2023	2022
Financial assets		
Cash (Note 4)	9,558,935	7,013,934
Accounts receivable (Note 5)	641,720	628,894
Portfolio investments (Note 6)	2,526,189	2,272,552
Advances to related Nation entities and department (Note 7)	487,364	4,146
Investment in Nation business entities (Note 8)	6,006,897	3,773,644
Funds held in trust (Note 9)	13,780	12,100
Total financial assets	19,234,885	13,705,270
Liabilities		
Accounts payable and accruals (Note 11)	503,441	361,438
Deferred revenue (Note 12)	825,857	519,669
Debt (Note 13)	1,943,936	2,060,736
Total financial liabilities	3,273,234	2,941,843
Net financial assets	15,961,651	10,763,427
Contingencies (Note 14)		
Non-financial assets		
Tangible capital assets (Schedule 1)	14,357,465	14,645,021
Prepaid expenses	49,928	11,202
Total non-financial assets	14,407,393	14,656,223
Accumulated surplus (Note 15)	30,369,044	25,419,650
Accumulated surplus is comprised of:		
Accumulated surplus	30,124,185	25,419,650
Accumulated remeasurement gains	244,859	-
	30,369,044	25,419,650

Approved on behalf of the Council:

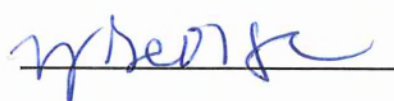





Chief

Councilor

Councilor

Councilor

Councilor

Stellat'en First Nation
Consolidated Statement of Operations and Accumulated Surplus
For the year ended March 31, 2023

	<i>Schedules</i>	2023 Budget (Note 19)	2023	2022
Revenue				
Indigenous Services Canada (Note 17)		2,818,278	4,091,882	3,045,048
Ottawa trust fund		-	1,680	1,488
First Nations Health Authority		102,421	280,289	395,783
Canada Mortgage and Housing Corporation		25,000	-	401,911
Resource industry revenue		130,168	128,257	115,229
Carrier Sekani Family Services		621,962	353,142	722,625
Carrier Sekani Tribal Council		2,197,047	2,069,283	3,571,959
Prince George Aboriginal Employment and Training		110,000	991	115,891
Province of British Columbia		25,000	101,964	143,459
Other revenue		227,874	1,848,421	862,291
Earnings from investment in Nation business entities (Note 8)		-	2,888,819	3,415,303
		6,257,750	11,764,728	12,790,987
Expenses				
Nation Government	3	1,254,223	1,451,605	2,159,836
Social Assistance	4	480,895	415,426	395,748
Education	5	1,475,817	1,483,142	1,140,840
Operations & Maintenance	6	149,700	228,081	342,547
Economic Development	7	39,477	226,731	168,236
Community Health	8	619,425	844,630	763,503
Other	9	1,239,240	908,260	839,431
Capital	10	711,794	1,502,318	1,456,995
Total expenses		5,970,571	7,060,193	7,267,136
Annual surplus		287,179	4,704,535	5,523,851
Accumulated surplus, beginning of year		25,419,650	25,419,650	19,895,799
Accumulated surplus, end of year		25,706,829	30,124,185	25,419,650

The accompanying notes are an integral part of these financial statements

Stellat'en First Nation
Consolidated Statement of Remeasurement Gains
For the year ended March 31, 2023

	2023	2022
Unrealized gains attributable to:		
Amounts reclassified to the statement of operations:		
Portfolio investments	244,859	-
Change in remeasurement gains, for the year	244,859	-
Accumulated remeasurement gains, end of year	244,859	-

Stellat'en First Nation
Consolidated Statement of Changes in Net Financial Assets
For the year ended March 31, 2023

	2023 Budget (Note 19)	2023	2022
Annual surplus	287,179	4,704,535	5,523,851
Purchase of tangible capital assets	-	(682,694)	(1,829,249)
Amortization of tangible capital assets	-	970,250	928,793
Use of prepaid expenses	-	(38,726)	2,605
Change in remeasurement gains for the year	-	244,859	-
Increase in net financial assets	287,179	5,198,224	4,626,000
Net financial assets, beginning of year	10,763,427	10,763,427	6,137,427
Net financial assets, end of year	11,050,606	15,961,651	10,763,427

The accompanying notes are an integral part of these financial statements

Stellat'en First Nation
Consolidated Statement of Cash Flows
For the year ended March 31, 2023

	2023	2022
Cash provided by (used for) the following activities		
Operating activities		
Annual surplus	4,704,535	5,523,851
Non-cash items		
Amortization	970,250	928,793
Earnings from investment in Nation business entities	(2,888,819)	(3,415,303)
Gain on sale of portfolio investments	(4,871)	(19,876)
Interest income from Ottawa Trust Fund	(1,680)	(1,488)
Change in remeasurement gains of portfolio investments	244,859	-
	3,024,274	3,015,977
Changes in working capital accounts		
Accounts receivable	(12,826)	1,119,948
Accounts payable and accruals	142,003	(132,568)
Deferred revenue	306,188	118,015
Prepaid expenses	(38,726)	2,605
	3,420,913	4,123,977
Financing activities		
Repayment of debt	(116,800)	(124,325)
Capital activities		
Purchase of tangible capital assets	(682,694)	(1,829,249)
Investing activities		
Purchase of portfolio investments	(399,971)	(12,181)
Proceeds on disposal of portfolio investments	151,205	60,000
Advances to related Nation business entities	(483,218)	-
Withdrawals from Nation business entities	655,566	-
	(76,418)	47,819
Increase in cash	2,545,001	2,218,222
Cash, beginning of year	7,013,934	4,795,712
Cash, end of year	9,558,935	7,013,934

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 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.

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.

Portfolio investments

Portfolio investments are recorded at cost with gains and losses recorded in the statement of operations and changes in net assets in the period in which they arise. Portfolio investments are comprised of a portfolio of funds managed by investment professionals.

Reporting entities consolidated

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 entities.

Stellat'en First Nation business entities, owned or controlled by the Nation's Chief and Council but not dependent on the 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 Nation. Thus, the 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.

Entities that are not controlled or jointly controlled are accounted for at cost. This includes:

- Lhai Ventures Limited Partnership (25%)
- Endako Tsey Limited Partnership (25%)
- Endako Tsey GP Corporation (25%)

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

Net financial assets

The 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 Nation are 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.

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
Buildings and infrastructure	4 %
Machinery and equipment	30 %
Office equipment	30 - 55 %
Automobile	30 %

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.

Funds held in Trust

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

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

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.

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

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 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 as at March 31, 2023.

At each financial reporting date, the 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 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, 2023, no liability for contaminated sites exists.

Revenue recognition

Government Transfers

The 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 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 revenue 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.

Segments

The Nation conducts its business through a number of reportable segments as described in Note 18. These operating segments are established by senior management to facilitate the achievement of the 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 consolidated financial statements.

Statement of Remeasurement Gains and Losses

By presenting remeasurement gains and losses separately, changes in the carrying value of financial instruments arising from fair value measurement, unrealized foreign exchange gains and losses and other comprehensive income arising from investments in government business entities are distinguished from revenue and expenses reported in the statement of operations. The statement of operations reports the extent to which revenue raised in the period were sufficient to meet the expenses incurred. Remeasurement gains and losses do not affect this assessment as they are recognized in the statement of remeasurement gains and losses. Taken together, the two statements account for changes in a Nation's net assets (liabilities) in the period.

Upon settlement, the cumulative gain or loss is reclassified from the statement of remeasurement gains and losses and recognized in the statement of operations. Interest and dividends attributable to all financial instruments are reported in the statement of operations.

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

Asset retirement obligation

A liability for an asset retirement obligation is recognized at the best estimate of the amount required to retire a tangible capital asset (or a component thereof) at the financial statement date when there is a legal obligation for the Nation to incur retirement costs in relation to a tangible capital asset (or component thereof), the past transaction or event giving rise to the liability has occurred, it is expected that future economic benefits will be given up, and a reasonable estimate of the amount can be made. The best estimate of the liability includes all costs directly attributable to asset retirement activities, based on information available at March 31, 2023. The best estimate of an asset retirement obligation incorporates a present value technique, when the cash flows required to settle or otherwise extinguish an asset retirement obligation are expected to occur over extended future periods.

When a liability for an asset retirement obligation is initially recognized, a corresponding asset retirement cost is capitalized to the carrying amount of the related tangible capital asset (or component thereof). The asset retirement cost is amortized over the useful life of the related asset.

At each financial reporting date, the Nation reviews the carrying amount of the liability. The Nation recognizes period-to-period changes to the liability due to the passage of time as accretion expense. Changes to the liability arising from revisions to either the timing, the amount of the original estimate of undiscounted cash flows or the discount rate are recognized as an increase or decrease to the carrying amount of the related tangible capital asset.

The 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, 2023, no asset retirement obligation exists.

Financial instruments

The Nation recognizes its financial instruments when the Nation becomes party to the contractual provisions of the financial instrument. All financial instruments are initially recorded at their fair value.

At initial recognition, the Nation may irrevocably elect to subsequently measure any financial instrument at fair value. The Nation has not made such an election during the year.

The Nation subsequently measures investments in equity instruments quoted in an active market and all derivative instruments, except those that are linked to, and must be settled by delivery of, unquoted equity instruments of another entity, at fair value. Fair value is determined by published price quotations. Transactions to purchase or sell these items are recorded on the trade date. Net gains and losses arising from changes in fair value are recognized in the statement of remeasurement gains and losses. Interest income is recognized in the statement of operations. Investments in equity instruments not quoted in an active market and derivatives that are linked to, and must be settled by delivery of, unquoted equity instruments of another entity, are subsequently measured at cost. With the exception of those instruments designated at fair value, all other financial assets and liabilities are subsequently measured at amortized cost using the effective interest rate method.

Transaction costs directly attributable to the origination, acquisition, issuance or assumption of financial instruments subsequently measured at fair value are immediately recognized in operating annual surplus. Conversely, transaction costs are added to the carrying amount for those financial instruments subsequently measured at cost or amortized cost.

All financial assets except derivatives are tested annually for impairment. Any impairment, which is not considered temporary, is recorded in the statement of operations. Write-downs of financial assets measured at cost and/or amortized cost to reflect losses in value are not reversed for subsequent increases in value. Reversals of any net remeasurements of financial assets measured at fair value are reported in the statement of remeasurement gains and losses.

The Nation as part of its operations carries a number of financial instruments. It is management's opinion that the First Nation is not exposed to significant market, currency or credit risks arising from these financial instruments except as otherwise disclosed.

Stellat'en First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2023

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

Interest rate risk

Interest rate risk is the risk to the Nation's earnings that arises from fluctuations in market interest rates and the degree of volatility of these rates. The Nation does not use derivative instruments to reduce its exposure to interest rate risk. During 2023, interest rate has risen significantly but management expects interest rates to remain relatively constant for the coming year and therefore considers the related risk to be low.

3. Change in accounting policy

Financial Instruments

Effective April 1, 2022, the Nation adopted the Public Sector Accounting Board's (PSAB) new recommendations for the recognition, measurement, presentation and disclosure of financial assets, financial liabilities and derivatives under PS 3450 Financial Instruments. The new Section is applied prospectively, and prior periods have not been restated.

Asset Retirement Obligations

Effective April 1, 2022, the Nation adopted the Public Sector Accounting Board's (PSAB) accounting standard PS 3280 Asset Retirement Obligation.

4. Cash

Included in cash is restricted cash of \$172,617 related to unexpended gaming funds.

5. Accounts receivable

	2023	2022
Indigenous Services Canada	23,588	10,561
Goods and Services Tax Receivable	28,767	11,651
Province of British Columbia	-	30,000
Carrier Sekani Tribal Council	186,356	26,426
Carrier Sekani Family Services	185,716	410,471
Other	300,472	222,964
Subtotal	724,899	712,073
Less: allowance for doubtful accounts	(83,179)	(83,179)
	641,720	628,894

6. Portfolio investments

	2023	2022
CIBC Wood Gundy	2,439,833	2,186,196
Walton Investment Group Limited Liability Partnership	86,356	86,356
	2,526,189	2,272,552

The funds can only be used with the consent of the membership. Walton Investment Group Limited Liability Partnership is not in an active market, no market value available as at March 31, 2023. CIBC Wood Gundy investments are recorded at fair market value.

Stellat'en First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2023

7. Advances to related Nation entities

	2023	2022
Demand promissory note		
Slenyah Store Limited Partnership	-	162,890
Advances to (from) Nation entities		
Stellat'en Duchun Forestry Inc.	10,410	10,410
Stellat'en Duchun Forestry Limited Partnership	(1,443)	(1,443)
Stellat'en Holdings Inc.	9,175	9,175
Slenyah Store Inc.	3,463	3,463
Slenyah Store Limited Partnership	-	(162,890)
Stellat'en Holdings Limited Partnership	(17,459)	(17,459)
Atsiyan Services Limited Partnership	483,218	-
	487,364	(158,744)
	487,364	4,146

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

8. Investment in Nation business entities

The Nation has investments in the following entities:

	<i>Investment cost</i>	<i>Loans / advances</i>	<i>Current share of earnings</i>	<i>2023 Total investment</i>
Wholly-owned Businesses:				
Stellako Custom Wood Ltd.	40	(40)	-	-
0987339 BC Ltd.	3,773,684	(655,606)	2,888,819	6,006,897
	3,773,724	(655,646)	2,888,819	6,006,897
	<i>Investment cost</i>	<i>Loans / advances</i>	<i>Current share of earnings</i>	<i>2022 Total investment</i>
Wholly-owned Businesses:				
Stellako Custom Wood Ltd.	40	(40)	-	-
0987339 BC Ltd.	358,341	(40)	3,415,343	3,773,644
	358,381	(80)	3,415,343	3,773,644

Continued on next page

Stellat'en First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2023

8. Investment in Nation business entities *(Continued from previous page)*

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

	<i>Stellako Custom Wood Ltd. As at March 31, 2023 (unaudited)</i>	<i>0987339 BC Ltd. As at March 31, 2023 (unaudited)</i>
Assets		
Cash	-	11,161
Accounts receivable	40	-
Receivable from shareholder	-	18,501
Long-term investments'	-	41,001
Investment in partnership	-	5,949,801
Total assets	40	6,020,464
Accounts payable and accruals	-	3,250
Advances from related parties	-	9,476
Total liabilities	-	12,726
Retained Earnings	40	6,007,738
Total revenue	-	2,889,569
Total expenses	-	750
Comprehensive income	-	2,888,819

The reported amounts for 0987339 BC Ltd. include the results of the following consolidated entities: Stellat'en Holdings Limited Partnership and Stellat'en Holdings Inc. The year-end for Stellat'en Holdings Limited Partnership is December 31, 2022. No significant or unusual transactions occurred between December 31, 2022 and March 31, 2023, therefore the December 31, 2022 figures are included without adjustment.

During the year, Stellat'en Holdings Limited Partnership acquired 99.99% ownership of Atsiyan Services Limited Partnership as the limited partner, whereas Atsiyan Services Inc. owns 0.01% as the general partner. Stellat'en Holdings Inc. has acquired 100% ownership of Atsiyan Services Inc. Both entities are accounted for using the modified equity method.

9. Funds held in trust

	2023	2022
Capital Trust		
Balance, beginning and end of year	2,202	2,202
Revenue Trust		
Balance, beginning of year	9,868	8,410
Interest	424	217
Special (British Columbia)	1,286	1,241
Balance, end of year	11,578	9,868
	13,780	12,100

Stellat'en First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2023

9. Funds held in trust *(Continued from previous page)*

Funds held in trust include the Ottawa Trust accounts which 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*. Capital and revenue trust monies are transferred to the Nation on the authorization of the Minister of Indigenous Services Canada, with the consent of the Nation's Council.

10. Credit facility

As at March 31, 2023, the Nation had available lines of credit totaling \$100,000 (2022 - \$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;
- Nation Council Resolution authorizing borrowings and pledge of security; and
- Unlimited hypothecation on portfolio investment at CIBC Wood Gundy (March 31, 2023 - market value of \$2,439,833).

11. Accounts payable and accruals

	2023	2022
Accounts payable and accruals	320,419	207,205
Wages payable	183,022	154,233
	503,441	361,438

12. Deferred revenue

	2023	2022
Indigenous Services Canada - ICMS #9-00128118	-	73,105
Indigenous Services Canada - ICMS #9-00128501 & 0012850 Ph 1	-	392,533
Indigenous Services Canada - #Q3V09-0001 EMAP	-	54,031
Indigenous Services Canada - #Q40N-001 & #Q40N-002	109,676	-
Indigenous Services Canada - FNCFS CAPITAL CHRT 41	533,227	-
Indigenous Services Canada - #Q29W-001 & #Q3V9-001	43,562	-
Indigenous Services Canada - #Q38M-001 & #QA1E-001	139,392	-
	825,857	519,669

13. Debt

	2023	2022
CIBC Housing Loan, repayable in monthly installments of \$8,333 plus interest at bank prime rate, secured by portfolio investments with a market value of \$2,439,833 (2022 - \$2,439,447) and a Nation Council Resolution authorizing borrowings and pledge of security, matures May 2039	1,608,333	1,708,333
CIBC demand loan, repayable in monthly instalments of \$2,774 including interest at bank prime rate, secured by portfolio investments market value of \$2,439,833 (2022 - \$2,439,447) and a Nation Council Resolution authorizing borrowings and pledge of security, matures April 2034	335,603	352,403
	1,943,936	2,060,736

Stellat'en First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2023

13. Debt (Continued from previous page)

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

	Total
2024	111,033
2025	111,795
2026	112,609
2027	113,481
2028	114,412
	<hr/> 563,330
Thereafter	1,380,606
	<hr/>

Prime rate at March 31, 2023 was 6.70% (2022 - 2.70%).

14. Contingencies

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

The 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, 2023 might be recovered.

15. Accumulated operating surplus

Accumulated operating surplus consists of the following:

	2023	2022
Equity in Ottawa Trust Funds	13,780	12,100
Equity in operating fund	11,689,979	9,049,621
Equity in tangible capital assets	12,413,529	12,584,285
Investment in Nation business entities	6,006,897	3,773,644
Accumulated remeasurement gains	244,859	-
	<hr/> 30,369,044	25,419,650
	<hr/>	

16. 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 Nation to continue operations is dependent upon the Government of Canada's continued financial commitments as guaranteed by these funding agreements.

Stellat'en First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2023

17. Indigenous Services Canada funding reconciliation

	2023	2022
Direct Nation Funding		
ISC revenue per confirmation	4,398,071	3,589,485
Deferred revenue to subsequent year	(672,619)	(519,669)
Deferred revenue recognized during the year	366,430	3,508
ISC revenue recoveries	-	(28,276)
	4,091,882	3,045,048

18. Segments

The Nation receives revenue and incurs expenses from a number of projects and sources. For management and reporting purposes, the revenue, expenses and surplus or deficits are attributed to the following segments:

Nation Government:

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

Social Assistance:

Includes revenue 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.

Stellat'en First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2023

19. 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 March 18, 2022. 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	287,179
Adjusted for:	
Transfers	128,413
<hr/>	
Budgeted surplus as approved by Chief and Council	415,592
<hr/> <hr/>	

20. Comparative figures

Certain comparative figures have been reclassified to conform with current year's presentation.

Stellat'en First Nation
Schedule 1 - Consolidated Schedule of Tangible Capital Assets
For the year ended March 31, 2023

	<i>Automobile</i>	<i>Building and infrastructure</i>	<i>Machinery and equipment</i>	<i>Office equipment</i>	<i>Work in Progress</i>	2023	2022
Cost							
Balance, beginning of year	217,141	23,658,895	730,496	312,686	2,937,631	27,856,849	26,027,600
Acquisition of tangible capital assets	238,798	141,923	107,500	-	194,473	682,694	1,829,249
Balance, end of year	455,939	23,800,818	837,996	312,686	3,132,104	28,539,543	27,856,849
Accumulated amortization							
Balance, beginning of year	173,789	12,074,761	664,035	299,243	-	13,211,828	12,283,035
Annual amortization	48,825	881,219	36,056	4,150	-	970,250	928,793
Balance, end of year	222,614	12,955,980	700,091	303,393	-	14,182,078	13,211,828
Net book value of tangible capital assets	233,325	10,844,838	137,905	9,293	3,132,104	14,357,465	14,645,021
2022 Net book value of tangible capital assets	43,352	11,584,134	66,461	13,443	2,937,631	14,645,021	

Stellat'en First Nation
Schedule 2 - Consolidated Schedule of Expenses by Object
For the year ended March 31, 2023

	2023 Budget (Note 19)	2023	2022
Consolidated expenses by object			
Wages and benefits	1,573,980	1,555,617	1,631,409
Office and miscellaneous	1,075,549	1,000,690	946,322
Tuition	707,877	717,183	680,821
Contract services	203,445	674,246	673,846
Travel	261,317	327,852	128,476
Allowances	306,556	313,009	240,352
Legal fees	28,500	261,029	448,604
Professional fees	258,500	248,094	339,701
Honouraria	295,000	226,436	216,181
Supplies and other	294,715	177,677	243,250
Utilities	108,875	153,935	133,548
Interest and bank charges	3,018	140,882	90,061
Repairs and maintenance	472,799	95,346	341,852
Insurance	12,438	80,885	45,424
Telephone	50,320	66,401	63,782
Licenses and memberships	17,065	27,643	30,733
Training	75,000	21,348	56,550
Administration fees	225,617	1,582	569
Bad debts	-	88	26,862
Amortization	-	970,250	928,793
	5,970,571	7,060,193	7,267,136

**Stellat'en First Nation
Nation Government**

Schedule 3 - Consolidated Schedule of Revenue and Expenses and Accumulated Deficit

For the year ended March 31, 2023

	2023 Budget (Note 19)	2023	2022
Revenue			
Indigenous Services Canada	255,704	631,165	408,074
Ottawa trust fund	-	1,680	1,488
First Nations Health Authority	-	2,480	-
Resource industry revenue (recovery)	130,168	(24,993)	-
Carrier Sekani Tribal Council	-	-	28,571
Province of British Columbia (recovery)	-	(10,000)	-
Other revenue	93,681	1,412,975	387,400
	479,553	2,013,307	825,533
Expenses			
Wages and benefits	444,925	457,906	436,100
Legal fees	18,000	220,649	442,986
Office and miscellaneous	215,656	211,501	233,898
Honouraria	204,000	201,886	209,900
Travel and training	48,000	69,786	38,448
Professional fees	46,000	67,652	128,937
Allowances	36,986	59,919	21,000
Insurance	1,294	46,227	27,712
Interest and bank charges	3,018	42,100	37,781
Telephone	28,606	28,664	27,642
Licenses and memberships	1,716	22,241	21,414
Utilities	6,890	19,572	9,027
Supplies and other	8,700	16,840	30,636
Training	40,000	15,467	47,162
Administration fees	112,826	9,032	550
Repairs and maintenance	700	1,188	14,656
Bad debts	-	88	25,668
Contract services (recovery)	36,906	(39,113)	406,319
	1,254,223	1,451,605	2,159,836
Annual surplus (deficit)	(774,670)	561,702	(1,334,303)
Transfers between programs	(1,104,268)	(1,038,090)	88,019
Change in accumulated deficit	(1,878,938)	(476,388)	(1,246,284)
Accumulated deficit, beginning of year	(4,544,297)	(4,544,297)	(3,298,013)
Accumulated deficit, end of year	(6,423,235)	(5,020,685)	(4,544,297)

Stellat'en First Nation
Social Assistance

Schedule 4 - Consolidated Schedule of Revenue and Expenses and Accumulated Surplus

For the year ended March 31, 2023

	2023 Budget (Note 19)	2023	2022
Revenue			
Indigenous Services Canada	619,911	586,840	693,878
Prince George Aboriginal Employment and Training	-	-	248
	619,911	586,840	694,126
Expenses			
Allowances	269,570	253,089	218,152
Office and miscellaneous	106,076	66,653	76,053
Utilities	37,539	50,676	42,281
Wages and benefits	56,999	32,187	51,879
Travel	3,000	7,084	1,853
Telephone	3,201	3,058	2,834
Supplies and other	2,510	2,679	1,620
Repairs and maintenance	2,000	-	593
Contract services	-	-	483
	480,895	415,426	395,748
Annual surplus	139,016	171,414	298,378
Transfers between programs	(51,218)	(51,217)	(71,109)
Change in accumulated surplus	87,798	120,197	227,269
Accumulated surplus, beginning of year	266,929	266,929	39,660
Accumulated surplus, end of year	354,727	387,126	266,929

**Stellat'en First Nation
Education**

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

For the year ended March 31, 2023

	2023 Budget (Note 19)	2023	2022
Revenue			
Indigenous Services Canada	824,510	1,683,101	876,316
First Nations Health Authority	-	-	100,000
Carrier Sekani Family Services	330,353	-	394,225
Other revenue	136,966	88,416	164,000
Prince George Aboriginal Employment and Training Association	110,000	991	114,443
Carrier Sekani Tribal Council	-	112,419	2,865
	1,401,829	1,884,927	1,651,849
Expenses			
Tuition	707,877	716,883	680,821
Wages and benefits	343,477	263,208	166,371
Office and miscellaneous	217,613	158,342	122,080
Travel and training	74,250	114,036	19,563
Professional fees	-	88,155	35,950
Supplies and other	46,500	74,518	56,446
Administration fees	-	11,454	-
Honouraria	52,400	20,950	3,575
Telephone	6,000	11,551	9,320
Repairs and maintenance	6,000	9,862	15,899
Utilities	4,700	9,447	6,085
Contract services	-	2,150	13,343
Insurance	1,000	1,348	1,990
Training	16,000	958	8,197
Licenses and memberships	-	280	-
Allowances	-	-	1,200
	1,475,817	1,483,142	1,140,840
Annual surplus (deficit)	(73,988)	401,785	511,009
Transfers between programs	(224,507)	123,562	69,284
Change in accumulated surplus	(298,495)	525,347	580,293
Accumulated surplus, beginning of year	3,052,965	3,052,965	2,472,672
Accumulated surplus, end of year	2,754,470	3,578,312	3,052,965

Stellat'en First Nation
Operations & Maintenance

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

For the year ended March 31, 2023

	2023 Budget (Note 19)	2023	2022
Revenue			
Indigenous Services Canada	573,267	741,820	231,360
Other revenue	3,000	13,456	2,369
	576,267	755,276	233,729
Expenses			
Contract services	20,000	103,199	30,031
Utilities	47,995	52,938	53,595
Supplies and other	22,400	32,531	43,017
Office and miscellaneous	300	15,281	31,114
Repairs and maintenance	29,500	13,396	168,819
Insurance	7,423	7,242	8,948
Telephone	4,604	3,494	4,309
Bad debts	-	-	1,193
Licenses and memberships	750	-	1,192
Travel and training	-	-	329
Wages and benefits	16,728	-	-
	149,700	228,081	342,547
Annual surplus (deficit)	426,567	527,195	(108,818)
Transfers between programs	86,524	53,824	(3,397)
Change in accumulated surplus	513,091	581,019	(112,215)
Accumulated surplus, beginning of year	3,631,433	3,631,433	3,743,648
Accumulated surplus, end of year	4,144,524	4,212,452	3,631,433

Stellat'en First Nation
Economic Development

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

For the year ended March 31, 2023

	2023 Budget (Note 19)	2023	2022
Revenue			
Indigenous Services Canada	31,477	32,585	31,702
Earnings from investment in Nation business entities	-	2,888,819	3,415,303
Resource industry revenue	-	150,000	25,000
Other revenue	9,600	72,151	6,966
Province of British Columbia	-	-	113
	41,077	3,143,555	3,479,084
Expenses			
Contract services	2,000	153,331	44,045
Office and miscellaneous	37,477	47,249	39,243
Supplies and other	-	10,008	796
Travel	-	9,945	1,266
Wages and benefits	-	2,740	69,418
Telephone	-	1,176	2,132
Legal fees	-	753	696
Professional fees	-	636	636
Utilities	-	327	8,395
Honouraria	-	300	-
Insurance	-	266	813
Repairs and maintenance	-	-	67
Licenses and memberships	-	-	729
	39,477	226,731	168,236
Annual surplus	1,600	2,916,824	3,310,848
Transfers between programs	287,045	6,210	(111,319)
Change in accumulated surplus	288,645	2,923,034	3,199,529
Accumulated surplus, beginning of year	4,032,472	4,032,472	832,943
Accumulated surplus, end of year	4,321,117	6,955,506	4,032,472

**Stellat'en First Nation
Community Health**

Schedule 8 - Consolidated Schedule of Revenue and Expenses and Accumulated Surplus

For the year ended March 31, 2023

	2023 Budget (Note 19)	2023	2022
Revenue			
Government funding			
Indigenous Services Canada	148,674	-	16,626
First Nations Health Authority	102,421	173,770	295,783
Carrier Sekani Family Services	291,609	353,142	328,400
Carrier Sekani Tribal Council	-	-	197
Province of British Columbia	-	62,509	62,347
Other revenue	-	158,308	193,071
	542,704	747,729	896,424
Expenses			
Wages and benefits	341,475	455,209	381,659
Contract services	8,027	184,125	47,013
Office and miscellaneous	78,900	122,212	195,358
Travel and training	34,567	58,121	39,428
Insurance	2,571	13,156	(2,200)
Supplies and other	141,510	10,693	57,320
Telephone	3,100	10,058	8,990
Repairs and maintenance	6,000	4,983	909
Utilities	1,000	2,519	969
Honouraria	-	700	200
Legal fees	-	372	-
Professional fees	-	350	33,513
Licenses and memberships	275	157	275
Training	2,000	-	-
Administration fees (recovery)	-	(18,025)	69
	619,425	844,630	763,503
Annual surplus (deficit)	(76,721)	(96,901)	132,921
Transfers between programs	25,000	25,000	151,789
Change in accumulated surplus	(51,721)	(71,901)	284,710
Accumulated surplus, beginning of year	4,647,616	4,647,616	4,362,906
Accumulated surplus, end of year	4,595,895	4,575,715	4,647,616

Stellat'en First Nation

Other

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

For the year ended March 31, 2023

	2023 Budget (Note 19)	2023	2022
Revenue			
Indigenous Services Canada	-	61,464	-
First Nations Health Authority	-	104,039	-
Resource industry revenue	-	3,250	90,229
Carrier Sekani Tribal Council	2,197,047	1,956,864	3,540,325
Prince George Aboriginal Employment and Training	-	-	1,200
Province of British Columbia	25,000	35,000	81,000
Other revenue	79,933	88,657	42,790
	2,301,980	2,249,274	3,755,544
Expenses			
Office and miscellaneous	339,777	297,727	164,567
Wages and benefits	182,359	200,745	343,555
Contract services	106,012	173,684	63,280
Professional fees	212,500	91,302	140,664
Travel and training	93,000	68,455	23,146
Legal fees	10,500	39,255	4,922
Repairs and maintenance	80,150	23,435	57,586
Supplies and other	40,495	12,300	26,689
Insurance	150	7,364	4,204
Training	15,000	4,724	696
Licenses and memberships	13,500	4,156	6,302
Telephone	990	2,822	3,078
Honouraria	35,000	2,600	106
Utilities	250	1,005	686
Tuition	-	300	-
Bad debts	-	-	1
Administration fees (recovery)	109,557	(4,114)	(51)
	1,239,240	925,760	839,431
Annual surplus	1,062,740	1,323,514	2,916,113
Transfers between programs	198,393	(176,909)	27,141
Change in accumulated surplus	1,261,133	1,146,605	2,943,254
Accumulated surplus, beginning of year	13,316,144	13,316,144	10,372,890
Accumulated surplus, end of year	14,577,277	14,462,749	13,316,144

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

For the year ended March 31, 2023

	2023 Budget (Note 19)	2023	2022
Revenue			
Government funding			
Indigenous Services Canada	364,735	354,907	787,091
Canada Mortgage and Housing Corporation	25,000	-	401,911
Province of British Columbia	-	14,455	-
Other revenue	23,784	14,459	65,694
	413,519	383,821	1,254,696
Expenses			
Wages and benefits	188,018	143,623	182,427
Office and miscellaneous	79,750	81,725	84,009
Interest and bank charges	-	98,782	52,280
Contract services	30,500	96,869	69,332
Repairs and maintenance	348,449	42,482	83,322
Supplies and other	32,600	18,106	26,727
Utilities	10,500	17,452	12,509
Telephone	3,818	5,578	5,478
Insurance	-	5,283	3,955
Administration fees	3,235	3,235	-
Licenses and memberships	824	809	824
Travel and training	8,500	424	4,444
Training	2,000	200	495
Honouraria	3,600	-	2,400
Amortization	-	970,250	928,793
	711,794	1,484,818	1,456,995
Annual deficit	(298,275)	(1,100,997)	(202,299)
Transfers between programs	911,444	1,057,620	(150,408)
Change in accumulated surplus	613,169	(43,377)	(352,707)
Accumulated surplus, beginning of year	1,016,386	1,016,386	1,369,093
Accumulated surplus, end of year	1,629,555	973,009	1,016,386