

Consolidated Financial Statements of



And Independent Auditor's Report thereon

Year ended March 31, 2023



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MANAGEMENT'S RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The accompanying consolidated financial statements of Nak'azdli Whut'en ("Nak'azdli") are the responsibility of management and have been prepared in accordance with Canadian public sector accounting standards. A summary of the significant accounting policies are described in Note 1 to the consolidated financial statements. The preparation of consolidated financial statements necessarily involves the use of estimates based on management's judgment, particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods.

Nak'azdli's management maintains a system of internal controls designed to provide reasonable assurance that assets are safeguarded, transactions are properly authorized and recorded in compliance with legislative and regulatory requirements, and reliable financial information is available on a timely basis for preparation of the consolidated financial statements. These systems are monitored and evaluated by management.

Chief and Council meet with management and the external auditors to review the consolidated financial statements and discuss any significant financial reporting or internal control matters prior to their approval of the consolidated financial statements.

The consolidated financial statements have been audited by KPMG LLP, independent external auditors appointed by Nak'azdli. The accompanying Independent Auditors' Report outlines their responsibilities, the scope of their examination and their opinion on Nak'azdli's consolidated financial statements.



Chief



Finance Manager



KPMG LLP
177 Victoria Street, Suite 400
Prince George BC V2L 5R8
Canada
Tel 250-563-7151
Fax 250-563-5693

INDEPENDENT AUDITOR'S REPORT

To the Members of Nak'azdli Whut'en

Opinion

We have audited the consolidated financial statements of Nak'azdli Whut'en ("Nak'azdli"), which comprise:

- the consolidated statement of financial position as at March 31, 2023
- the consolidated statement of operations for the year then ended
- the consolidated statement of changes in net debt for the year then ended
- the consolidated statement of cash flows for the year then ended
- and notes to the consolidated financial statements, including a summary of significant accounting policies

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

In our opinion, the accompanying financial statements present fairly, in all material respects, the consolidated financial position of Nak'azdli as at March 31, 2023 and its consolidated results of operations and its consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the ***"Auditor's Responsibilities for the Audit of the Financial Statements"*** section of our auditors' report.

We are independent of Nak'azdli in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

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

In preparing the financial statements, management is responsible for assessing Nak'azdli'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 Nak'azdli or to cease operations, or has no realistic alternative but to do so.

Those charged with Governance are responsible for overseeing Nak'azdli's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

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

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Nak'azdli'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 Nak'azdli's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause Nak'azdli to cease to continue as a going concern.



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- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group Entity to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

A handwritten signature in black ink that reads 'KPMG LLP'. The signature is written in a cursive style and is underlined with a thin black line.

Chartered Professional Accountants

Prince George, Canada

July 31, 2023



Consolidated Statement of Financial Position

March 31, 2023, with comparative information for 2022

	2023	2022
Financial assets:		
Cash and cash equivalents (note 2)	\$ 17,979,687	\$ 7,534,900
Marketable securities (note 3)	35,468,079	36,088,455
Restricted cash (note 4)	730,657	634,851
Accounts receivable (note 5)	4,326,740	3,647,873
Timber sale deposit	21,726	21,725
Investments, loan, and advances (note 6)	11,957,474	10,228,262
Loans receivable (note 7)	178,568	330,844
	<hr/> \$ 70,662,931	<hr/> \$ 58,486,910
Liabilities:		
Bank indebtedness (note 2)	\$ 96,524	\$ 140,848
Accounts payable and accrued liabilities (note 8)	7,642,184	10,305,997
Damage deposit payable	32,347	32,597
Deferred revenue (note 9)	1,120,131	601,945
Long-term debt (note 10)	2,191,444	3,418,304
Capital lease obligations	9,946	56,521
	<hr/> 11,092,576	<hr/> 14,556,212
Net financial assets	59,570,355	43,930,698
Non-financial assets:		
Inventories	314,371	285,023
Prepaid expenses	224,805	189,121
Tangible capital assets (note 11)	39,147,924	36,710,229
	<hr/> 39,687,100	<hr/> 37,184,373
Commitment (note 15)		
Contingent liabilities (note 16)		
Accumulated surplus (note 13)	<hr/> \$ 99,257,455	<hr/> \$ 81,115,071

See accompanying notes to consolidated financial statements.

On behalf of Chief and Council:



Consolidated Statement of Operations

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

	2023 Budget	2023 Actual	2022 Actual
Revenue (note 15):			
First Nations Health Authority	\$ 1,530,449	\$ 2,312,602	\$ 2,837,314
Indigenous Services Canada	8,843,303	9,484,381	10,464,863
Other income (note 14)	14,223,292	20,293,165	9,801,416
Prince George Nchako Aboriginal Employment and Training Association	-	432,851	487,613
Province of British Columbia and other government revenue	259,213	10,610,330	8,546,144
Rental income	415,550	514,791	451,595
	25,271,807	43,648,120	32,588,945
Consolidated government business revenue:			
Grocery store (Sana'ah Market)	-	7,171,845	6,711,358
Logging (Nak'al Koh Logging and Ta Da Chun Timber)	-	842,645	1,161,478
Gas station (Nahounli Creek Gas Bar)	-	6,737	611,718
	-	8,021,227	8,484,554
Expenses (note 15):			
Band government	5,780,453	5,119,523	3,920,696
Capital services	6,782,317	3,798,616	3,732,760
Community services	745,705	1,357,627	1,051,384
Economic development	2,758,579	5,773,180	11,824,690
Education	5,878,815	5,257,866	5,281,485
Health	2,894,119	1,920,488	1,754,417
Housing	1,094,654	567,666	466,419
Social services	2,147,592	1,673,074	1,494,660
	28,082,234	25,468,040	29,526,511
Consolidated government business expenses:			
Grocery store (Sana'ah Market)	-	7,285,803	6,811,513
Logging (Nak'al Koh Logging and Ta Da Chun Timber)	-	675,172	1,299,097
Gas station (Nahounli Creek Gas Bar)	-	97,948	757,687
	-	8,058,923	8,868,297
Annual surplus	(2,810,427)	18,142,384	2,678,691
Accumulated surplus, beginning of year	81,115,071	81,115,071	78,436,380
Accumulated surplus, end of year	\$ 78,304,644	\$ 99,257,455	\$ 81,115,071

See accompanying notes to consolidated financial statements.



Consolidated Statement of Changes in Net Debt

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

	Budget	Total 2023	Total 2022
Annual (deficit) surplus	\$ (2,810,427)	\$ 18,142,384	\$ 2,678,691
Change in prepaid expenses	-	(35,684)	(7,201)
Change in inventories	-	(29,348)	159,466
Acquisition of tangible capital assets	-	(5,474,445)	(3,767,490)
Amortization of tangible capital assets	-	2,952,841	2,568,636
Loss on disposal of tangible capital assets	-	6,164	285,135
Proceeds on disposal of tangible capital assets	-	77,745	105,500
	-	-	(655,954)
Increase in net financial assets	-	15,639,657	2,022,737
Net financial assets beginning of year	-	43,930,698	41,907,961
Net financial assets, end of year	\$	-	\$ 59,570,355
			\$ 43,930,698

See accompanying notes to consolidated financial statements.



Consolidated Statement of Cash Flows

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

	2023	2022
Cash provided by (used in):		
Operations:		
Annual surplus	\$ 18,142,384	\$ 2,678,691
Items not involving cash:		
Amortization of tangible capital assets	2,952,841	2,568,636
Equity income of incorporated entities and limited partnerships	(1,794,646)	(2,345,906)
<u>Loss on disposal of tangible capital assets</u>	<u>6,164</u>	<u>285,135</u>
	19,306,743	3,186,556
Changes in non-cash operating working capital:		
Accounts receivable	(678,867)	1,953,960
Inventories	(29,348)	159,466
Prepaid expenses	(35,684)	(7,201)
Accounts payable and accrued liabilities	(2,663,814)	7,504,914
Deferred revenue	518,186	(1,013,282)
Damage deposit payable	(250)	1,738
	16,416,966	11,786,151
Financing:		
Bank indebtedness	(44,324)	75,848
Repayment of long term debt	(1,226,860)	(875,951)
<u>Repayment of capital lease obligation</u>	<u>(46,575)</u>	<u>(44,752)</u>
	(1,317,759)	(844,855)
Investing:		
Change in net investments, loans and advances	65,434	(3,915,789)
Loans receivable	152,276	(77,054)
Proceeds on disposal of marketable securities	-	859,314
Purchase of marketable securities	-	(25,000,000)
Restricted cash	(95,806)	(24,979)
Proceeds on disposal of tangible capital assets	77,745	105,500
Acquisition of tangible capital assets	(5,474,445)	(3,767,490)
<u>Change in marketable securities</u>	<u>620,376</u>	<u>-</u>
	(4,654,420)	(31,820,498)
Increase (decrease) in cash and cash equivalents	10,444,787	(20,879,202)
Cash and cash equivalents, beginning of year	7,534,900	28,414,102
Cash and cash equivalents, end of year	\$ 17,979,687	\$ 7,534,900

See accompanying notes to consolidated financial statements.



Notes to Consolidated Financial Statements

Year ended March 31, 2023

Nature of operations:

Nak'azdli Whut'en ("Nak'azdli") provides local government, education and training, health services and social development services to its members and was established under the Indian Act (Canada).

1. Significant accounting policies:

These consolidated financial statements include the assets, liabilities, and results of operations of Nak'azdli and all related entities and organizations subject to control by or responsibility of Chief and Council. No inclusion has been made of assets, liabilities, revenues or expenses of Nak'azdli members, individually or collectively, incorporated or unincorporated, that are not controlled by or the responsibility of Chief and Council.

These consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles for local government, as established by the Public Sector Accounting Board ("PSAB"). Nak'azdli's significant accounting policies are as follows:

(a) Reporting entity and principles of consolidation:

Nak'azdli's reporting entity includes the Nak'azdli Whut'en government and all related entities which are either owned or controlled by the Nak'azdli.

All controlled entities are fully consolidated except for the commercial enterprises which meet the definition of a government business enterprise or government business partnership, which are included in these consolidated financial statements on a modified equity basis. Inter-entity balances and transactions are eliminated upon consolidation.

Under the modified equity method of accounting, only Nak'azdli's investment in the government business enterprise or government business partnership and their share of the entities net income and other changes in equity are recorded. No adjustments are made for accounting policies of the entities that are different from those of the Nak'azdli.



Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2023

1. Significant accounting policies (continued):

(a) Reporting entity and principles of consolidation (continued):

Incorporated business entities, limited partnerships and other government organizations, which are controlled by Nak'azdli, are included in the consolidated financial statements using the consolidation method when they do not meet the criteria to be classified as government business enterprises.

Controlled entities consolidated in the financial statements include:

- FNA Resources Ltd. (50% owned)
- Nahounli Creek Gas Bar Ltd. (100% owned)
- Nak'al Koh Logging Ltd. (100% owned)
- Nak'azdli Development Corporation ("NDC") (100% owned)
- Ranchery Holdings Ltd. (100% owned)
- Sana'ah Market General Partner Inc. (100% owned)
- Ta Da Chun Timber Inc. (100% owned)
- Tl'oh Forest Products Inc. (100% owned)

Jointly controlled entities are included in the consolidated financial statements using the proportionate consolidated method when they do not meet the definition of a government business partnership.

Government partnerships proportionality consolidated in the financial statements include:

- Sana'ah Market Limited Partnership (100% owned)
- Shas Resources Limited Partnership (12.5% owned)

These entities were classified as government business enterprises and government business partnerships, respectively, in the previous fiscal year as they met the appropriate criteria in the previous year.



Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2023

1. Significant accounting policies (continued):

(a) Reporting entity and principles of consolidation (continued):

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

Government business enterprises:

- Carrier Food and Fuel Ltd. (100% owned)
- Nak'al Koh Timber Ltd. (100% owned)

Government business partnerships:

- BioNorth Holdings Limited Partnership (40% owned)
- NDC LNG Limited Partnership (99.99% owned)
- Nak'azdli Summit Camp Limited Partnership (50.95% owned)

(b) Cash:

Cash and cash equivalents consist of cash, bank overdrafts and investments in money market or other short-term instruments or investments with a maturity of less than 90 days.

(c) Investments:

Investments are recorded at cost, adjusted for amortization of premiums or discounts. Provisions for losses are recorded when they are considered to be other than temporary.



Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2023

1. Significant accounting policies (continued):

(d) Financial instruments:

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

Fair value category: Nak'azdli manages and reports performance for groups of financial assets on a fair-value basis. Cash and cash equivalents and marketable securities are reflected at fair value as at the reporting date. Sales and purchases of investments are recorded on the trade date. Transaction costs related to the acquisition of investments are recorded as an expense. Unrealized gains and losses on financial assets except for those related to restricted endowments and the research forest are recognized in the Statement of Remeasurement Gains and Losses until such time that the financial asset is derecognized due to disposal or impairment. At the time of derecognition, the related realized gains and losses are recognized in the Statement of Operations and Accumulated Surplus and related balances reversed from the Statement of Remeasurement Gains and Losses.

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

On April 1, 2022, Nak'azdli adopted Public Accounting Standard PS 3450 - Financial Instruments. The accounting standard establishes recognition, measurement, and disclosure requirements for derivative and non-derivative instruments. The standard requires fair value measurements of derivative and equity instruments; all other financial instruments can be measured at either cost or fair value depending upon elections made by the government. Following the adoption of the standard, Nak'azdli recognized their marketable securities at fair value.

Nak'azdli did not present a Statement of Remeasurement Gains and Losses in the current year as there was not a significant impact upon adoption of the standard.

(e) Non-financial assets:

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year and are not intended for sale in the ordinary course of operations.



Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2023

1. Significant accounting policies (continued):

(f) Tangible capital assets:

Tangible capital assets are stated at cost, less accumulated amortization. Cost includes all costs directly attributable to acquisition or construction of the tangible capital asset including transportation costs, installation costs, design and engineering fees, legal fees and site preparation costs. Contributed tangible capital assets are recorded at fair value at the time of the donation with a corresponding amount recorded as revenue. Tangible capital assets under construction are not amortized until the asset is available for use.

Amortization is provided using the straight-line method:

Asset	Years
Land improvements	50
Buildings and improvements	25 - 40
Housing	25 - 40
Vehicles	5 - 10
Machinery and equipment	5 - 20
Sewer and water infrastructure	25 - 50
Road Infrastructure	15 - 20

When management determines that a tangible capital asset no longer contributes to Nak'azdli's ability to provide goods and services or that the value of the future benefits associated with the tangible capital asset is less than its net book value, the cost of the tangible capital asset is written down.

Certain assets which have historical or cultural value, including works of art, historical documents and historical and cultural artifacts, are not recognized as tangible capital assets.



Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2023

1. Significant accounting policies (continued):

(g) Revenue recognition:

Government transfers and grant revenue are recognized as Nak'azdli becomes entitled to the funding under the terms of applicable funding agreements and are recorded in the period in which the resources are used for the purpose specified in the agreements. Restricted funding received which relates to a subsequent fiscal period or which stipulations that give rise to an obligation are reported as deferred revenue until the resources are used for the purpose or purposes specified and/or the stipulations giving rise to an obligation have been met.

Other revenue, including interest, rent and own source are recognized in the period the services are provided and the related proceeds are received or receivable.

(h) Funding recoveries and reimbursements:

Funding received from government sources in the form of conditional transfer payments are subject to recovery, by the Crown, of unexpended balances or unallowable expenses. The Crown may also reimburse over expenditures upon determining adherence to the terms and conditions of payment for a specific purpose. Recoveries and reimbursements are accounted for when they are paid or payable or received or receivable.

(i) Allocation of expenses:

Management records a number of its expenses by program. The cost of each program includes the personnel, premises and other expenses that are directly related to providing the program.

Management allocates certain of its general support expenses by identifying the appropriate basis of allocating each expenses.



Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2023

1. Significant accounting policies (continued):

(j) Contaminated sites:

Contaminated sites are defined as the result of contamination being introduced in air, soil, water or sediment of a chemical, organic, or radioactive material or live organism that exceeds an environmental standard.

A liability for remediation of contaminated sites is recognized, net of any expected recoveries, when all of the following criteria are met:

- (a) an environmental standard exists,
- (b) contamination exceeds the environmental standard,
- (c) the organization is directly responsible or accepts responsibility for the liability,
- (d) future economic benefits will be given up, and
- (e) a reasonable estimate of the liability can be made.

(k) Asset retirement obligation:

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

- There is a legal obligation to incur retirement costs in relation to a tangible capital asset;
- 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.

On April 1, 2021, Nak'azdli adopted Public Accounting Standard PS 3280 - Asset Retirement Obligations. The new accounting standard addresses the reporting of legal obligations associated with the retirement of certain tangible capital assets, such as asbestos removal in retired buildings by public sector entities. Following the adoption of the standard, Nak'azdli did not identify any legal obligations giving rise to a liability.



Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2023

1. Significant accounting policies (continued):

(I) Use of estimates:

The preparation of the 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 financial statements and the reported amounts of revenue and expenses during the year. Items subject to such estimates and assumptions include the carrying amounts of tangible capital assets and inventories; provisions for impairment of accounts receivable and marketable securities; and accrued liabilities. Actual results could differ from those estimates.

2. Cash and cash equivalents (bank indebtedness):

	2023	2022
Cash and cash equivalents		
Nak'azdli Whut'en	\$ 14,656,699	\$ 4,723,303
Nak'azdli Whut'en marketable securities brokerage account	910,085	874,842
Nahounli Creek Gas Bar Ltd.	13,306	4,201
Nak'azdli Development Corporation	2,048,210	1,678,637
Tl'oh Forest Products Limited Partnership	-	7,579
Ta Da Chun Timber Limited Partnership	-	541
Sana'aih Market Limited Partnership	333,638	232,506
Tl'oh Forest Products Inc.	5,899	-
Ta Da Chun Timber Inc.	428	-
FNA Resources Ltd.	233	233
Shas Resources Limited Partnership	11,189	13,058
	\$ 17,979,687	\$ 7,534,900
Bank indebtedness		
Nahounli Creek Gas Bar Ltd.	\$ -	\$ 100,000
Nak'al Koh Logging Ltd.	96,524	40,848
	\$ 96,524	\$ 140,848



Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2023

2. Cash and cash equivalents (bank indebtedness) (continued):

Nak'azdli Whut'en has established a revolving demand line of credit with BMO bearing interest at prime plus 0.75% per annum (7.45% per annum at March 31, 2023) in the amount of \$1,500,000 of which nil (2022 - nil) was drawn on this line of credit at year end. The line of credit is secured by a hypothecation of the marketable securities portfolio held with BMO.

3. Marketable securities:

Level 1 investments are recorded at fair value and are comprised of the following:

	2023
Fixed income pooled investments - Canadian	\$ 15,690,808
Equities pooled investments - Canadian	9,532,884
Equities pooled investments - U.S.	9,074,506
Equities pooled investments - Non North American	982,381
Conifex Timber Inc.	187,500
	<hr/> \$ 35,468,079

Portfolio investments with a value of \$1,895,428 (2022 - \$1,895,428) have been placed in hypothecation as security for debt (note 2 and note 10).

The marketable securities noted above were measured at amortized cost less an allowance for other than temporary impairment in fiscal 2022 (note 1(d)) totalling \$36,088,455.

Fair value of a financial instrument is defined as the amount at which the instrument could be exchanged in a current transaction between willing parties. Nak'azdli uses the following methods and assumptions to estimate the fair value of each class of financial instruments for which the carrying amounts are included in the Consolidated Statement of Financial Position under the following captions:



Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2023

3. Marketable securities (continued):

Financial assets and liabilities recorded at fair value are comprised of the following:

- Cash and cash equivalents, restricted cash, accounts receivable, loans receivable, bank indebtedness, accounts payable and accrued liabilities, and long-term debt - the carrying amounts approximate fair value because of the short maturity or nature of these instruments.
- Marketable securities - the carrying amounts are shown at fair value based on quoted prices (unadjusted) in active markets.

The financial instruments measured at fair value held within each investment are classified according to a hierarchy which includes three levels, reflecting the reliability of the inputs involved in their fair value determination. The different levels are defined as follows:

- Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2 - inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)
- Level 3 - inputs for the asset or liability that are not based on observable market data (unobservable inputs)



Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2023

4. Restricted cash:

	2023	2022
Operating fund		
Ministry of Forests woodlot license deposit (a)	\$ 5,046	\$ 5,046
Term deposits (b)	300,000	300,000
Ottawa Trust Fund		
Ottawa Trust Funds (c)	4,400	4,454
CMHC Social Housing Fund		
Social Housing Replacement Reserve (d)	349,811	289,651
Ta Da Chun Timber Inc.		
Ministry of Forest woodlot license deposit (a)	71,400	35,700
	<hr/> \$ 730,657	<hr/> \$ 634,851

The funds are restricted for the following purposes:

- a) A term deposit assigned to the Ministry of Forests on behalf of Nak'azdli Development Corporation ("NDC") and Ta Da Chun Timber Inc, in support of its woodlot licenses.
- b) A term deposit held with Royal Bank of Canada securing the operating lines for Sana'ah Market Limited Partnership, Nahounli Creek Gas Bar, and Nak'azdli Development Corporation for \$100,000 each.
- c) Ottawa Trust Funds on deposit with Indigenous Services Canada arise from monies derived from capital or revenue sources as outlined in Section 62 of the Indian Act.
- d) Social Housing Replacement Reserve funds can only be utilized under the terms of the respective Canada Mortgage and Housing Corporation agreements.



Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2023

5. Accounts receivable:

	2023	2022
Indigenous Services Canada	\$ 56,878	\$ -
Prince George Nechako Aboriginal Employment and Training Association	- -	188,142
Centerra Gold Inc. - Mount Milligan	319,200	837,302
Fisheries and Oceans Canada	- -	67,180
Other	211,285	314,520
Province of British Columbia	1,748,911	1,512,878
KDL Management	1,122,286	- -
	3,458,560	2,920,022
 Nak'azdli Whut'en owned rental housing	 551,704	 558,415
Less: allowance for doubtful accounts	(520,276)	(552,130)
	31,428	6,285
 Member Housing	 115,300	 153,612
Less: allowance for doubtful accounts	(93,167)	(108,529)
	22,133	45,083
 Nak'azdli Development Corporation - trade receivables	 696,425	 312,161
Nahounli Creek Gas Bar Ltd. - trade receivables	1,119	156,955
Nak'al Koh Logging Ltd. - trade receivables	16,135	161,150
Sana'ah Market Limited Partnership - trade receivables	100,645	42,324
FNA Resources Ltd. - trade receivables	291	291
Shas Resources Limited Partnership - trade receivables	4	3,602
	814,619	676,483
 \$ 4,326,740	 \$ 3,647,873	



Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2023

6. Investments, loans and advances:

	Investments	Advances	2023	2022
Carrier Food and Fuel Ltd.	\$ 2,276,779	\$ (197,461)	\$ 2,079,318	\$ 1,767,454
Nak'al Koh Timber Ltd.	2,851,063	(163,720)	2,687,343	1,995,534
NDC LNG Limited Partnership	3,445,584	(140,000)	3,305,584	2,186,091
Nak'azdli Summit Camp Limited Partnership	417,131	-	417,131	417,386
BioNorth Holdings Limited Partnership	3,590,000	-	3,590,000	4,000,000
Others	102	(122,004)	(121,902)	(138,203)
	\$ 12,580,659	\$ (623,185)	\$ 11,957,474	\$ 10,228,262

Nak'azdli's share of the gain (loss) in its equity accounted investees for the year was:

	2023
Carrier Food and Fuel Ltd.	\$ 311,864
Nak'al Koh Timber Ltd.	773,544
NDC LNG Limited Partnership	1,119,493
Nak'azdli Summit Camp Limited Partnership	(255)
BioNorth Holdings Limited Partnership	(410,000)
	\$ 1,794,646



Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2023

6. Investments, loans and advances (continued):

	2023	2022
Government business enterprises owned 100% by Nak'azdli Whut'en:		
Carrier Food & Fuel Ltd.:		
Financial position:		
Assets	\$ 2,598,609	\$ 2,293,844
Liabilities	(321,832)	(328,931)
Equity	2,276,777	1,964,913
Results of operations:		
Revenues	12,539,305	11,510,759
Expenses	(12,227,441)	(11,312,411)
Profit and comprehensive income	311,864	198,348
Nak'al Koh Timber Ltd.:		
Financial position:		
Assets	\$ 2,986,877	\$ 2,250,191
Liabilities	(135,814)	(172,672)
Equity	(2,851,063)	(2,077,519)
Results of operation:		
Revenues	969,792	1,311,497
Expenses	(196,248)	(142,807)
Profit and comprehensive income	773,544	1,168,690



Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2023

6. Investments, loans and advances (continued):

	2023	2022
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**Government business enterprises owned 99.99% by
Nak'azdli Whut'en (continued):**

Nak'azdli LNG Limited Partnership:

Financial position:

Assets	\$ 3,472,957	\$ 2,401,924
Liabilities	(17,665)	(66,237)
Equity	(3,455,292)	(2,335,687)

Results of operations:

Revenues	1,244,593	834,761
Expenses	(125,100)	(228,386)
Profit and comprehensive income	1,119,493	606,375

**Government business enterprises owned 50.95% by
Nak'azdli Whut'en:**

Nak'azdli Summit Camp Limited Partnership

Financial position:

Assets	\$ 6,504,416	\$ 6,504,416
Liabilities	(4,466,518)	(4,466,518)
Equity	(2,037,898)	(2,037,898)

Results of operations:

Revenues	804,967	18,356,419
Expenses	(805,467)	(17,660,508)
Profit and comprehensive income	500	695,910



Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2023

6. Investments, loans and advances (continued):

	2023	2022
Government business enterprises owned 40% by Nak'azdli Whut'en:		
BioNorth Holdings Limited Partnership		
Financial position:		
Assets	\$ 37,703,000	\$ 29,819,000
Liabilities	(28,729,000)	(21,281,000)
Equity	(8,974,000)	(8,538,000)
Results of operations:		
Revenues	34,669,000	8,861,000
Expenses	(34,233,000)	(10,323,000)
Profit and comprehensive income	436,000	(1,462,000)

Shares and partnership units are held by Nak'azdli, as represented by Chief and Council, on behalf of and for the benefit of the Nak'azdli Whut'en membership.

7. Loans receivable:

	2023	2022
Nak'azdli Whut'en members	\$ 60,987	\$ 170,731
Nak'azdli Whut'en member housing loans	1,007,937	1,098,719
	1,068,924	1,269,450
Less: allowance for doubtful accounts	(890,356)	(938,606)
	<hr/> \$ 178,568	<hr/> \$ 330,844

Nak'azdli Whut'en member housing loans are repayable by Nak'azdli members over the same term and at the same interest rate as incurred by Nak'azdli in financing the original construction of the housing units. Upon repayment of a Nak'azdli Whut'en member housing loan, title to the housing unit is transferred to the member. Other Nak'azdli Whut'en member loans are interest free and have no set terms of repayment.



Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2023

8. Accounts payable and accrued liabilities:

	2023	2022
Trade payables	\$ 1,727,765	\$ 2,222,483
Accrued liabilities	2,088,638	1,392,493
Accrued wages and benefits	601,392	480,156
Sales tax payable	68,705	21,020
Nak'azdli Whut'en Trust	3,155,684	6,189,845
	<hr/> \$ 7,642,184	<hr/> \$ 10,305,997

Nak'azdli has a defined contribution pension plan for eligible members of its staff. Members can contribute up to a maximum of 5.5% of their salary and Nak'azdli matches the member's contributions. The amount of retirement benefits to be received by the members will be the amount of retirement annuity that could be purchased based on the member's share of the pension plan at the time of the member's withdrawal from the plan. During the year, Nak'azdli contributed \$304,512 (2022 - \$156,884) for retirement benefits.



Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2023

9. Deferred revenue:

Deferred revenue is comprised of funding received prior to expenditures being made in respect of the following projects or program:

	2023	2022
Indigenous Services Canada - water system and access upgrade	\$ -	\$ 116,285
Indigenous Services Canada - asset management plan	- -	20,141
First Nation Health Authority - aboriginal headstart	353,087	308,485
First Nation Health Authority - environmental public health drinking water	- -	3,153
First Nation Health Authority - home and community care	55,147	- -
First Nation Health Authority - licensed child care	208,596	- -
First Nation Health Authority - maternal health	73,778	- -
First Nation Health Authority - diabetes	69,312	- -
First Nation Health Authority - land based healing	117,197	- -
First Nation Health Authority - trauma	50,000	- -
Ministry of Children and Family Development	113,411	113,411
Gift cards	79,603	40,470
	<hr/> \$ 1,120,131	<hr/> \$ 601,945



Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2023

10. Long-term debt:

	2023	2022
Bank of Montreal - demand loan repayable at \$1,103 per month including interest at prime rate plus 0.5% per annum, due April 2023.	\$ 1,014	\$ 1,014
Bank of Montreal - demand loan repayable at \$3,756 per month including interest at prime rate plus 0.5% per annum, due March 2042.	623,558	639,876
Bank of Montreal - demand loan repayable at \$5,194 per month including interest at prime rate plus 0.5% per annum, due December 2034.	602,861	632,021
Bank of Montreal - demand loan repayable at \$2,504 per month including interest at prime rate plus 0.5% per annum, due June 2035.	298,975	312,598
All Nations Trust - mortgage repayable at \$1,836 per month including interest at 1.86% per annum, due February 2024.	20,045	41,525
All Nations Trust - mortgage repayable at \$3,111 per month including interest at 1.73% per annum, due January 2026.	103,308	138,589
All Nations Trust - mortgage repayable at \$1,380 per month including interest at 2.39% per annum, due March 2033.	147,758	160,501
All Nations Trust - mortgage repayable at \$1,825 per month including interest at 2.21% per annum, due February 2044.	367,435	381,122
Carried forward	2,164,954	2,307,246



Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2023

10. Long-term debt (continued):

	2023	2022
Carried forward	2,164,954	2,307,246
Indigenous Services Canada - specific claim treaty negotiation loan, non-interest bearing, unsecured until loan becomes repayable at the date at which the claim is settled.	21,474	21,474
The Driving Force Inc. - financed vehicle including interest at 6.99% per annum, repayable in monthly payments of \$643, due November 2023.	5,016	12,102
Nak'al Koh Logging Ltd.: Bank of Montreal - repaid in the year.	-	997,482
Nahounli Creek Gas Bar: Parkland Fuel Corporation - repaid in the year.	-	80,000
	<hr/> \$ 2,191,444	<hr/> \$ 3,418,304

Bank of Montreal demand loans are secured by a hypothecation of the Bank of Montreal marketable securities portfolio (note 3). As at March 31, 2023, Bank of Montreal prime rate was 6.7%. Security for the non-revolving demand instalment loan with Bank of Montreal comprises a first security interest on all property owned by Nak'al Koh Logging Ltd. and an unlimited guarantee by Nak'azdli.

All Nations Trust mortgages are secured by their respective property and ministerial guarantee.

All vehicle and equipment loans are secured by the specific asset.



Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2023

10. Long-term debt (continued):

Provided the lenders do not demand repayment of the loans in full, principal repayments are due as follows:

2024	\$ 553,483
2025	162,332
2026	160,606
2027	133,111
2028	133,111
Thereafter	1,048,801
	<hr/>
	\$ 2,191,444



Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2023

11. Tangible capital assets:

	2023								
	Land	Land Improvements	Buildings and Improvements	Housing	Vehicles	Machinery and Equipment	Sewer and Water Infrastructure	Road Infrastructure	Total
Cost:									
Balance, beginning of year	1,667,085	1,024,765	43,647,039	10,703,059	3,564,378	4,999,862	2,306,556	5,128,194	73,040,938
Additions	382,991	99,664	2,990,299	501,920	611,689	294,456	336,911	256,515	5,474,445
Disposals	-	-	-	-	(519,983)	-	-	-	(519,983)
Balance, end of year	2,050,076	1,124,429	46,637,338	11,204,979	3,656,084	5,294,318	2,643,467	5,384,709	77,995,400
Accumulated amortization:									
Balance, beginning of year	-	841,844	17,073,640	8,224,298	2,541,844	3,644,099	1,317,502	2,687,482	36,330,709
Amortization expenses	-	19,151	1,404,904	251,773	224,872	660,292	56,703	335,146	2,952,841
Disposals	-	-	-	-	(436,074)	-	-	-	(436,074)
Balance, end of year	-	860,995	18,478,544	8,476,071	2,330,642	4,304,391	1,374,205	3,022,628	38,847,476
Net book value, end of year	\$ 2,050,076	\$ 263,434	\$ 28,158,794	\$ 2,728,908	\$ 1,325,442	\$ 989,927	\$ 1,269,262	\$ 2,362,081	\$ 39,147,924



Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2023

11. Tangible capital assets (continued):

	2022									
	Land	Land Improvements	Buildings and improvements	Housing	Vehicles	Machinery and Equipment	Sewer and Water Infrastructure	Road Infrastructure	Total	
Cost:										
Balance, beginning of year	1,667,085	976,965	41,347,050	10,439,082	3,175,944	4,816,222	2,421,699	5,128,194	69,972,241	
Additions	-	47,800	2,299,989	263,977	788,200	183,640	183,884	-	3,767,490	
Disposals	-	-	-	-	(399,766)	-	(299,027)	-	(698,793)	
Balance, end of year	1,667,085	1,024,765	43,647,039	10,703,059	3,564,378	4,999,862	2,306,556	5,128,194	73,040,938	
Accumulated amortization:										
Balance, beginning of year	-	787,779	15,592,766	7,961,966	2,611,264	3,486,036	1,260,799	2,369,621	34,070,231	
Amortization expenses	-	54,065	1,480,874	262,332	238,738	158,063	56,703	317,861	2,568,636	
Disposals	-	-	-	-	(308,158)	-	-	-	(308,158)	
Balance, end of year	-	841,844	17,073,640	8,224,298	2,541,844	3,644,099	1,317,502	2,687,482	36,330,709	
Net book value, end of year	\$ 1,667,085	\$ 182,921	\$ 26,573,399	\$ 2,478,761	\$ 1,022,534	\$ 1,355,763	\$ 989,054	\$ 2,440,712	\$ 36,710,229	



Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2023

12. Related party transactions:

During the year, Nak'azdli had the following transactions with related parties:

	2023	2022
Carrier Food & fuel Ltd.:		
Administration and bookkeeping	\$ 80,212	\$ 36,528
Nak'azdli LNG Limited Partnership:		
Administration and bookkeeping	112,285	192,291
Accounts receivable	5,604	49,027
Nak'al Koh Timber Ltd.		
Administration and bookkeeping	85,479	131,150
Accounts receivable	89,753	110,440
	<hr/> \$ 373,333	<hr/> \$ 519,436

These transactions are in the normal course of operations and are measured at the exchange amount as determined and agreed to by the related parties.



Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2023

13. Accumulated surplus:

	2023	2022
Operating fund	\$ 62,112,013	\$ 47,582,177
Ottawa Trust Fund	4,400	4,454
Invested in tangible capital assets	36,956,480	33,291,925
CMHC social housing replacement reserve	184,562	236,515
	<hr/> \$ 99,257,455	<hr/> \$ 81,115,071

14. Other income:

	2023	2022
Canada Mortgage and Housing Corporation	\$ 51,620	\$ 80,301
BC First Nation Gaming Revenue Sharing Limited		
Partnership	1,026,093	440,397
Daycare fees	7,692	51,349
Equity income of incorporated entities and limited partnerships	1,794,646	2,345,906
Investment income	1,140,970	737,477
Management income	556,205	438,376
Miscellaneous	785,157	2,821,189
Natural resource contracts	13,425,010	2,711,626
Other government	1,857,041	133,203
Realized (loss) gain on disposal of marketable securities	(52,669)	41,202
Unrealized (loss) gain on marketable securities	(298,600)	-
	<hr/> \$ 20,293,165	<hr/> \$ 9,801,026



Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2023

15. Segmented information:

Nak'azdli provides a range of services to its members. For management reporting purposes, operations and activities are organized and reported by function and department. For each segment separately reported, the segment revenue and expenditure represent both amounts that are directly attributable to the segment and amounts that are allocated on a reasonable basis. The presentation by segment is based on the same accounting policies as described in the summary of significant accounting policies in note 1. The segments and services provided are as follows:

Band government - provides governance initiatives and training through the activities of Chief and Council and administration of other activities relating to program delivery, membership and finance;

Capital services - provides the maintenance costs of various Nak'azdli owned buildings and infrastructure;

Community services - manages funding and costs associated with the maintenance and provision of community infrastructure, recreation facilities and related services;

Economic development - manages the development of economic opportunities from the land and natural resources for Nak'azdli and its entities;

Education - provides elementary and secondary education instructional services and provides financial support to post secondary students as well provides training and work opportunities for Nak'azdli members to improve their job skills and participate effectively in the labour market;

Health - provides a variety of health care programs, services and support to Nak'azdli members;

Housing - provides programs and services associated with the operation and maintenance of Nak'azdli owned housing occupied by Nak'azdli members;

Social services - provides programs and services for the social benefit and welfare of Nak'azdli members.



Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2023

15. Segmented information (continued):

	2023								
	Band government	Capital services	Community services	Economic development	Education	Health	Housing	Social services	Total
Revenue:									
Indigenous Service Canada	\$ 810,219	\$ 1,269,144	\$ 1,092,893	\$ -	\$ 3,895,625	\$ -	\$ 200,000	\$ 2,216,500	\$ 9,484,381
Province of British Columbia	9,906,171	154,200	48,614	-	413,027	2,819	52,728	32,771	10,610,330
First Nations Health Authority	-	-	-	-	369,701	1,942,901	-	-	2,312,602
Canada Mortgage and Housing Corporation	-	-	-	-	-	-	51,620	-	51,620
Prince George Nechako Aboriginal Employment & Training Association	-	-	-	-	432,851	-	-	-	432,851
Investment income	1,001,142	-	-	139,828	-	-	-	-	1,140,970
Rental income	-	-	44,597	74,000	-	-	396,194	-	514,791
Realized (loss) gain on disposal of marketable securities	(52,669)	-	-	-	-	-	-	-	(52,669)
Other income	6,371,669	990,625	327,038	9,569,364	57,247	683	22,214	19,758	17,358,598
Equity income of incorporated entities and limited partnerships	-	-	-	1,794,646	-	-	-	-	1,794,646
Government business enterprises	-	-	-	8,021,227	-	-	-	-	8,021,227
Total revenue	18,036,532	2,413,969	1,513,142	19,599,065	5,168,451	1,946,403	722,756	2,269,029	51,669,347



Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2023

15. Segmented information (continued):

	2023								
	Band government	Capital services	Community services	Economic development	Education	Health	Housing	Social services	Total
Expenses:									
Administration	112,636	26,545	279	36,250	51,651	36,022	9,822	668	273,873
Amortization	-	2,332,815	-	234,870	-	-	95,971	-	2,663,656
Consulting and contracts	642,166	83,599	29,140	287,777	39,034	91,629	42,268	145,602	1,361,215
Donations	209,207	-	-	18,152	-	-	-	-	227,359
Honoraria	273,289	-	1,000	26,700	16,531	51,342	5,750	40,905	415,517
Materials and supplies	296,763	29,943	127,509	36,364	380,886	85,071	11,740	279,236	1,247,512
Other	950,157	188,307	213,538	1,673,009	106,235	48,106	(89,389)	37,941	3,127,904
Professional fees	279,296	2,801	43,035	279,086	25,801	252,110	15,364	26,847	924,340
Government business enterprises	-	-	-	8,058,923	-	-	-	-	8,058,923
Repairs and maintenance	(136,678)	735,790	187,364	129,958	224,271	142,545	163,969	739,330	2,186,549
Social assistance and education program	6,872	-	1,800	2,068,484	3,253,252	12,098	-	101,370	5,443,876
Telephone and utilities	53,070	135,598	77,423	28,941	35,555	29,714	23,728	78,352	462,381
Travel and transportation	236,924	8,206	21,589	57,558	92,550	345,769	1,762	37,545	801,903
Wages and benefits	2,195,821	255,012	654,950	896,031	1,032,100	826,082	286,681	185,278	6,331,955
Total expenses	5,119,523	3,798,616	1,357,627	13,832,103	5,257,866	1,920,488	567,666	1,673,074	33,526,963
Surplus (deficit)	\$ 12,917,009	\$ (1,384,647)	\$ 155,515	\$ 5,766,962	\$ (89,415)	\$ 25,915	\$ 155,090	\$ 595,955	\$ 18,142,384



Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2023

15. Segmented information (continued):

	2022								
	Band government	Capital services	Community services	Economic development	Education	Health	Housing	Social services	Total
Revenue:									
Indigenous Service Canada	\$ 743,987	\$ 1,876,747	\$ 1,390,910	\$ 281,350	\$ 4,197,837	\$ -	\$ -	\$ 1,974,032	\$ 10,464,863
Province of British Columbia	3,775,097	-	73,614	4,223,915	359,325	2,250	-	111,943	8,546,144
First Nations Health Authority	-	-	220,816	-	-	2,616,498	-	-	2,837,314
Canada Mortgage and Housing Corporation	-	-	-	-	-	-	80,691	-	80,691
Prince George Nechako Aboriginal Employment & Training Association	-	-	-	-	487,613	-	-	-	487,613
Investment income	737,477	-	-	-	-	-	-	-	737,477
Rental income	14,000	-	12,545	63,000	-	-	362,050	-	451,595
Realized (loss) gain on disposal of marketable securities	41,202	-	-	-	-	-	-	-	41,202
Other income	725,198	300,062	836,541	4,198,357	305,263	5,350	111,377	113,992	6,596,140
Equity income of incorporated entities and limited partnerships	-	-	-	2,345,906	-	-	-	-	2,345,906
Government business enterprises	-	-	-	8,484,554	-	-	-	-	8,484,554
Total revenue	6,036,961	2,176,809	2,534,426	19,597,082	5,350,038	2,624,098	554,118	2,105,733	41,073,499



Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2023

15. Segmented information (continued):

	2022								
	Band government	Capital services	Community services	Economic development	Education	Health	Housing	Social services	Total
Expenses:									
Administration	140,375	-	7,081	-	5,437	17,394	49,045	1,434	220,766
Amortization	-	1,956,853	-	258,533	-	-	95,970	-	2,311,356
Consulting and contracts	329,730	240,184	80,347	326,946	53,881	81,659	37,696	39,412	1,189,855
Donations	160,112	-	-	109,945	-	-	-	21,742	291,799
Honoraria	287,089	-	2,025	42,160	17,070	9,515	2,281	11,423	371,563
Materials and supplies	203,939	425,036	(126,349)	183,268	308,074	67,928	23,801	103,535	1,189,232
Other	277,607	-	48,481	7,645,766	35,153	58,161	(104,522)	21,156	7,981,802
Professional fees	290,047	-	20,456	163,819	18,523	244,263	12,200	-	749,308
Government business enterprises	-	-	-	8,868,297	-	-	-	-	8,868,297
Repairs and maintenance	137,613	793,487	191,811	490,342	227,557	113,645	112,379	19,920	2,086,754
Social assistance and education program	15,734	-	112,150	1,913,226	3,401,357	564	-	774,284	6,217,315
Telephone and utilities	50,881	4,370	78,672	43,012	31,804	24,029	21,301	30,191	284,260
Travel and transportation	62,004	2,359	8,803	19,558	34,884	212,484	373	3,107	343,572
Wages and benefits	1,965,565	310,471	627,907	628,115	1,147,745	924,775	215,895	468,456	6,288,929
Impairment on investment	-	-	-	-	-	-	-	-	-
Total expenses	3,920,696	3,732,760	1,051,384	20,692,987	5,281,485	1,754,417	466,419	1,494,660	38,394,808
Surplus (deficit)	\$ 2,116,265	\$ (1,555,951)	\$ 1,483,042	\$ (1,095,905)	\$ 68,553	\$ 869,681	\$ 87,699	\$ 611,073	\$ 2,678,691



Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2023

16. Commitment:

Nak'azdli is party to an agreement which requires the sale of timber to Apollo Forest Products Ltd. at fair market value.

17. Contingent liabilities:

Nak'azdli has entered into contribution agreements with various government agencies. Funding received under these contribution agreements is subject to repayment if Nak'azdli fails to comply with the terms and conditions of the agreements.

Nak'azdli is contingently liable for a Nak'azdli member mortgages secured by a Government of Canada Ministerial guarantee. As at March 31, 2023, the maximum liability would be \$638,546 (2022 - \$721,738).

Ta Da Chun Timber Limited Partnership has contracted with Apollo Forest Products Ltd. to undertake all reforestation and deactivation activities related to the Partnership's forest license. However, as licensee, the Partnership is ultimately obligated to fulfill the reforestation requirements as set out in the forest license.

Under the BC Environmental Management Act, a gas station is considered to be a contaminated site and, upon closure of the gas station, Nahounli Creek Gas Bar Ltd. is responsible for site remediation. The amount of the liability, if any, is not determinable and has not been recognized in the consolidated financial statements.

In the normal course of operations, Nak'azdli may become involved in legal actions. Some of these potential liabilities may become actual liabilities when one or more future event occur or fail to occur. To the extent that the future event is likely to occur and a reasonable estimate of the loss can be made, an estimated liability is accrued and an expense recorded in the consolidated financial statements.

18. Comparative information:

The consolidated financial statements have been reclassified, where applicable, to conform to the presentation used in the current year. The changes do not affect prior year annual surplus.