

**Cheslatta Carrier Nation**  
**Consolidated Financial Statements**  
For the year ended March 31, 2020

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For the year ended March 31, 2020

	<b>Contents</b>
<b>Management's Responsibility for Financial Reporting</b>	<b>3</b>
<b>Independent Auditor's Report</b>	<b>4 - 6</b>
<b>Financial Statements</b>	
Exhibit A - Consolidated Statement of Financial Position	<b>7</b>
Exhibit B - Consolidated Statement of Change in Net Financial Assets (Liabilities)	<b>8</b>
Exhibit C - Consolidated Statement of Operations	<b>9</b>
Exhibit D - Consolidated Statement of Cash Flows	<b>10</b>
Summary of Significant Accounting Policies	<b>11 - 14</b>
Notes to Consolidated Financial Statements	<b>15</b>

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## Management's Responsibility for Financial Reporting

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The accompanying consolidated financial statements of the Cheslatta Carrier Nation are the responsibility of management and have been approved by the Chief and Council.

The consolidated financial statements have been prepared by management in accordance with Canadian public sector accounting standards. Financial statements are not precise since they include certain amounts based on estimates and judgments. When alternative accounting methods exist, management has chosen those it deems most appropriate in the circumstances, in order to ensure that the financial statements are presented fairly, in all material respects.

The Cheslatta Carrier Nation maintains systems of internal accounting and administrative controls of sufficient quality, consistent with reasonable cost. Such systems are designed to provide reasonable assurance that the financial information is relevant, reliable and accurate and the Nation's assets are appropriately accounted for and adequately safeguarded.

The Cheslatta Carrier Nation Council is responsible for ensuring that management fulfills its responsibilities for financial reporting and is ultimately responsible for reviewing and approving the consolidated financial statements. Council carries out this responsibility principally through its Finance & Audit Committee.

The Finance & Audit Committee reviews the Nation's consolidated financial statements and recommends their approval to Chief & Council. The Chief and Council meet periodically with management, as well as the external auditors, to discuss internal controls over the financial reporting issues, to satisfy themselves that each party is properly discharging their responsibilities, and to review the annual report, the consolidated financial statements and the external auditors' report. The Chief and Council takes this information into consideration when approving the consolidated financial statements for issuance to the Members. The Chief and Council also appoint the engagement of the external auditors.

The consolidated financial statements have been audited by BDO Canada LLP in accordance with Canadian generally accepted auditing standards on behalf of the members. BDO Canada LLP has full access to the Nation Council.

  
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Chief  
\_\_\_\_\_  
Director of Operations

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## Independent Auditor's Report

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**To the Chief and Council of Cheslatta Carrier Nation**

### **Qualified Opinion**

We have audited the consolidated financial statements of the Cheslatta Carrier Nation and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at March 31, 2020, and the consolidated statement of operations, consolidated statement of change in net financial assets (liabilities) and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies

In our opinion, except for the effects of the matters described in the Basis for Qualified Opinion paragraphs, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Group as at March 31, 2020, and the results of operations, change in net financial assets (liabilities), and cash flows for the year then ended in accordance with Canadian public sector accounting standards.

### **Basis for Qualified Opinion**

Under Canadian public sector accounting standards, the financial statements should consolidate all controlled government organizations. Cheslatta Carrier Nation has not consolidated the Cheslatta Community Trust (the Trust) for the year ended March 31, 2020 nor has the Nation included in revenue the funds received that were used to create the trust. Had these items been corrected, assets as at March 31, 2020 and annual surplus for the year then ended would have increased by approximately \$101 million.

The financial statements for the certain Government Business Enterprises have not been prepared under a financial reporting framework. As required by public sector accounting standards a Government Business Enterprise should follow international financial reporting standards (IFRS). We have not been engaged to prepare them under this reporting standard nor have we been engaged to audit the differences that would arise by them adopting this framework. Therefore, we are unable to determine the impact of this departure from public sector accounting standards on investments in Government Business Enterprises as at March 31, 2020 and 2019, Government Business Enterprises income and annual surplus (deficit) for the year ended March 31, 2020 and 2019, and the accumulated surplus as at April 1 and March 31 for both the 2020 and 2019 year.

A listing of the opening tangible capital assets at historical costs was not provided. Therefore we were unable to verify existence, completeness and valuation of tangible capital assets as at March 31, 2020 and 2019, and the accumulated surplus as at April 1 and March 31 for both the 2020 and 2019 year.

Our audit opinion on the consolidated financial statements for the year ended March 31, 2020 was modified for the above matters.

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 report. We are independent of the Group 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 qualified audit opinion.

#### **Emphasis of Matter - Restated comparative Information**

We draw attention to Note 12 to the consolidated financial statements, which explains that certain comparative information presented for the year ended March 31, 2019 has been restated. Our opinion is not modified in respect of this matter.

#### **Other Matter**

The financial statements of Cheslatta Carrier Nation for the year ended March 31, 2019 were audited by Tony Tiani & Company Inc. whose practice now operates under BDO Canada LLP, who expressed a qualified opinion on those financial statements with respect to tangible capital assets on January 29, 2020.

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

Management is responsible for the preparation and fair presentation of these 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 Group'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 Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group'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 Group'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 Group'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 Group 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 Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the 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.

*BDO Canada LLP*

**Chartered Professional Accountants**

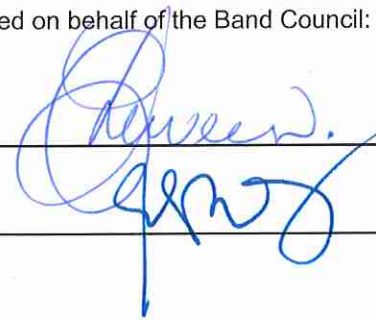
Prince George, British Columbia  
June 15, 2022



**Cheslatta Carrier Nation**  
**Exhibit A - Consolidated Statement of Financial Position**

As at March 31	2020	2019
		(Restated)
<b>Financial Assets</b>		
Cash	\$ 1,352,019	\$ 2,966,060
Restricted cash (Note 2)	125,165	121,030
Accounts receivable (Note 3)	1,685,816	2,276,624
Investments (Note 4)	43,265	28,517
Investments in Government Business Enterprises (Note 5)	2,564,976	3,651,651
Advances to Government Business Enterprises (Note 5)	1,733,198	1,501,833
	<u>7,504,439</u>	<u>10,545,715</u>
<b>Liabilities</b>		
Accounts payable (Note 7)	1,465,477	1,302,177
Deferred revenue (Note 8)	21,132	-
Silviculture Liability (Note 13)	4,672,403	2,371,540
Long term debt (Note 9)	2,527,454	3,523,129
	<u>8,686,466</u>	<u>7,196,846</u>
<b>Net Financial Assets (Liabilities)</b>	<u>(1,182,027)</u>	<u>3,348,869</u>
<b>Non-financial Assets</b>		
Tangible capital assets (Note 6)	7,241,439	6,776,031
Inventory	5,105	5,105
Prepaid expenses	113,644	193,986
	<u>7,360,188</u>	<u>6,975,122</u>
<b>Accumulated surplus (Note 10)</b>	<u>\$ 6,178,161</u>	<u>\$ 10,323,991</u>

Approved on behalf of the Band Council:



Chief



for Band Administrator

**Cheslatta Carrier Nation**

**Exhibit B - Consolidated Statement of Change in Net Financial Assets (Liabilities)**

For the year ended March 31	Budget	2020	2019
	(Note 14)		(Restated)
<b>Annual deficit</b>	\$ -	\$ (4,145,830)	\$ (68,814)
Acquisition of tangible capital assets	-	(1,377,681)	(3,562,707)
Amortization of tangible capital assets	-	912,273	610,650
Change of prepaid expenses	-	80,342	(82,165)
<b>Net change in net financial assets</b>	-	(4,530,896)	(3,103,036)
<b>Net financial assets</b> , opening as previously stated	-	\$ 3,348,869	\$ 6,663,975
Prior period adjustment <b>(Note 12)</b>	-	-	(212,070)
<b>Net financial assets</b> , opening as restated	-	3,348,869	6,451,905
<b>Net financial assets (liabilities)</b> , end of year	\$ -	\$ (1,182,027)	\$ 3,348,869



**Cheslatta Carrier Nation**  
**Exhibit C - Consolidated Statement of Operations**

<b>For the year ended March 31</b>	<b>Budget</b>	<b>2020</b>	<b>2019</b>
	<b>(Note 14)</b>		<b>(Restated)</b>
<b>Revenue</b>			
Indigenous Services Canada	\$ -	\$ 1,072,091	\$ 924,076
First Nations Health Authority	-	10,282	-
Rio Tinto	-	3,145,607	2,371,947
BCFN Gaming	-	320,780	-
Forestry & logging	-	6,968,152	7,674,572
Province of BC	-	1,690,000	480,000
PGNAETA	-	50,270	52,483
Rental revenue	-	84,814	226,683
FNESC	-	18,111	8,090
CSFS	-	109,876	231,772
Interest	-	53,237	27,189
Government business enterprise income	-	293,910	11,822
Other revenue	-	479,160	1,670,082
Treaty loan forgiveness	-	566,000	-
	-	<b>14,862,290</b>	<b>13,678,716</b>
<b>Expenses</b>			
Administration	-	3,332,794	1,842,633
Community Welfare	-	1,321,527	1,754,997
Operations & Maintenance	-	767,180	494,982
Education	-	156,441	144,872
Economic Development	-	11,622,986	8,101,324
Health Services	-	193,855	137,700
Social Development	-	319,296	294,175
Housing	-	377,868	356,180
Capital	-	1,742	-
Amortization	-	912,273	610,650
Treaty Related Matters	-	2,158	10,017
	-	<b>19,008,120</b>	<b>13,747,530</b>
<b>Deficit for the year</b>	-	<b>\$ (4,145,830)</b>	<b>\$ (68,814)</b>
<b>Accumulated surplus, opening - as previously stated</b>	\$ -	<b>\$ 10,323,991</b>	<b>\$ 10,604,875</b>
<b>Prior period adjustment (Note 12)</b>	-	-	<b>(212,070)</b>
<b>Accumulated surplus, opening - restated</b>	-	<b>10,323,991</b>	<b>10,392,805</b>
<b>Accumulated surplus, ending</b>	\$ -	<b>\$ 6,178,161</b>	<b>\$ 10,323,991</b>

**Cheslatta Carrier Nation**  
**Exhibit D - Consolidated Statement of Cash Flows**

For the year ended March 31	2020	2019
		(Restated)
<b>Operating activities</b>		
Cash received from funding agreements and contracts	\$ 15,246,961	\$ 12,384,452
Cash paid to suppliers and employees	<u>(15,551,342)</u>	<u>(11,958,510)</u>
<b>Cash flows from (used in) operating activities</b>	<u>(304,381)</u>	425,942
<b>Financing activities</b>		
Repayment of long term debt	(431,833)	(67,811)
Proceeds from issuance of debt	<u>-</u>	<u>2,746,492</u>
<b>Cash flows from (used in) financing activities</b>	<u>(431,833)</u>	2,678,681
<b>Capital activities</b>		
Purchase of capital assets	<u>(1,377,681)</u>	<u>(3,562,707)</u>
<b>Cash flows used in capital activities</b>	<u>(1,377,681)</u>	<u>(3,562,707)</u>
<b>Investing activities</b>		
Advances from GBE's	518,737	184,013
Purchase of investments	<u>(14,748)</u>	<u>(16,340)</u>
<b>Cash flows from investing activities</b>	<u>503,989</u>	167,673
<b>Decrease in cash and cash equivalents</b>	(1,609,906)	(290,411)
<b>Cash and cash equivalents, beginning of year</b>	<u>3,087,090</u>	3,377,501
<b>Cash and cash equivalents, end of year</b>	<u>\$ 1,477,184</u>	<u>\$ 3,087,090</u>
<b>Represented by:</b>		
Cash	\$ 1,352,019	\$ 2,966,060
Restricted cash	<u>125,165</u>	<u>121,030</u>
<b>Cash and cash equivalents, end of year</b>	<u>\$ 1,477,184</u>	<u>\$ 3,087,090</u>

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## Cheslatta Carrier Nation Summary of Significant Accounting Policies

March 31, 2020

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**Basis of Accounting**      These consolidated financial statements have been prepared in accordance with Canadian public sector accounting standards for government entities, as issued by the Canadian Public Sector Accounting Board.

**Reporting Entity and  
Principles of Financial  
Reporting**

The Cheslatta Carrier Nation reporting entity (the Nation) includes the Cheslatta Carrier Nation government and all related entities which are accountable to the Nation and are either owned or controlled by the Nation except for entities that meet the definition of a government business enterprise or a business partnership, which are included in the consolidated financial statements on a modified equity basis. Accounting policies of consolidated and proportionately consolidated entities are conformed to those of the Nation and inter-organizational balances and transactions are eliminated upon consolidation.

These consolidated financial statements consolidate the assets, liabilities and results of operations for the following entities:

- Cheslatta Carrier Nation

Business entities, which controlled by the Nation and which are not dependent on the Nation for their continuing operations, are included in the consolidated financial statements using the modified equity method. Under this method these entities' accounting policies are not adjusted to conform with those of the Nation and inter-organizational transactions and balances are not eliminated. The Nation recognizes its equity interest in the annual income or loss of the entities in its consolidated statement of operations and accumulated surplus with a corresponding increase or decrease in its investment in government business enterprise.

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## Cheslatta Carrier Nation

### Summary of Significant Accounting Policies

March 31, 2020

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#### Reporting Entity and Principles of Financial Reporting (continued)

Organizations accounted for on a modified equity basis include:

- Cheslatta Forest Products Ltd. (100% owned)
- Cheslatta Forest Products Limited Partnership (100% interest)
- Ootsa Resources Limited Partnership (100% interest)
- Noot'senay Enterprises Ltd. (100% owned)
- Noot'senay Enterprises Limited Partnership (99.9% interest)
- Tsacho Enterprises General Partner Ltd. (100% owned)
- Tsacho Enterprises Limited Partnership (99.9% interest)
- Pondosy Bay Wilderness Resort Ltd. , including Van Tine Guiding and Outfitting Ltd. (100% owned)
- Cheslatta Aggregates General Partner Ltd. (100% owned)
- Cheslatta Aggregates Limited Partnership (100% interest)
- Cheslatta Limited Partnership (100% interest)
- Cheslatta Contractors Limited Partnership (100% interest)
- Cheslatta Development Limited Partnership (100% interest)
- Green Demo North Partnership (100% interest)
- Cheslatta Property Management Ltd. (100% interest)
- Nechako Rover Legacy Partnership (100% interest)
- Danskin Garage Enterprises Ltd. (100% owned)

**Cash** Cash includes cash on hand and short-term, highly liquid investments that are readily convertible to cash

**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.

**Segmented Disclosure** A segment is defined as a distinguishable activity or group of activities of a government for which is it appropriate to separately report financial information to achieve the objectives of the Nation. The Nation identifies its segments based on the specific projects and funding arrangements. Revenue and expenses are allocated to the these segments according to methods of identification.

**Ottawa Trust Funds** The Nation uses the accrual method of accounting for Ottawa Trust Fund revenues earned in the fund. Trust monies are recognized as revenue upon authorized withdrawal from the Ottawa Trust Fund.

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## Cheslatta Carrier Nation

### Summary of Significant Accounting Policies

March 31, 2020

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**Revenue Recognition** Revenue is recognized on the accrual basis as it becomes receivable under the terms of applicable funding agreements.

Government transfers are recognized as revenues in the period in events giving rise to the transfers occur, providing that transfers are authorized, any eligibility criteria is met, and reasonable estimates of the amounts can be made. If the transfer contains stipulations that create a liability, the transfer is recognized as revenue in the period in which the liability is extinguished.

Contract revenues are recorded on an accrual basis and are recognized when the service has been provided.

Grants and donations are recognized as revenue when received or receivable if amounts can be reasonably estimated and collection is reasonably assured. Interest income is recorded as revenue in the period earned.

Rental revenue is recorded on a straight-line basis over the term of the agreement and is recognized when the tenant commences occupancy, the amounts to be received can be reasonably estimated and collection is reasonably assured.

#### **Deferred Revenue**

Deferred revenue represents grants and other fees which have been collected, but for which the related expenses or services have yet to be incurred or performed. These amounts will be recognized as revenues in the fiscal year in which the services are performed or related expenses are incurred.

**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 assets 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 in revenue. Expenses for repairs and maintenance that do not materially add to the useful life or service potential of the asset are not capitalized, but expensed as incurred. The cost, less residual value, of the tangible capital assets, excluding land, is amortized over the estimated useful lives as follows:

Automotive equipment	20% - declining balance method
Buildings	5% - declining balance method
Equipment	20% - declining balance method
Infrastructure	4% - declining balance method
Marine equipment	20% - declining balance method

Additions during the year have been amortized at one-half the above annual rates.

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## Cheslatta Carrier Nation

### Summary of Significant Accounting Policies

March 31, 2020

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#### Use of Estimates

The preparation of financial statements in accordance with Canadian generally accepted accounting principles requires management to make assumptions and estimates that have an effect on the reported amounts of assets and liabilities and disclosures at the date of the financial statements and the reported amounts of revenue and expenses during the period. Actual results could be different from those estimates. Significant estimates in these financial statements include valuation of accounts receivable, calculation of deferred revenue, calculation of silviculture liability, valuation of government business entities and amortization of tangible capital assets.

#### Inventories held for resale

Inventories of supplies and goods available for resale are recorded at the lower of cost and net realizable value.

#### Inventories held for use

Inventories of supplies held for consumption are recorded at the lower of cost and replacement cost.

#### Silviculture Liability

Forestry legislation in British Columbia obligates the Nation to incur the costs of the reforestation on its harvested forest and forest licenses, which include the costs to restore, maintain and manage the timberland over an approximate 4 year period. Accordingly the Nation records an estimate at fair value of the costs of reforestation in the current period in which the timber is cut, with the fair value of the liability determined with reference to the present value of the estimated future cash flows. In the periods subsequent to initial measurement, changes in the liability resulting from passage of time and revisions to the estimated future cash flows are recognized in the statement of earnings as they occur. Estimates for reforestation may be materially impacted by forest fires, adverse weather conditions, wildfire damage, forest health issues, changing government legislation and inaccurate projections.

#### Investments

The Nation accounts for its investments in government businesses using the modified equity method. Under this method the cost of this investment are adjusted by earnings or losses of the entities from the date of acquisition. Any losses in excess of equity invested are not recorded as this would create a negative investment balance. In such circumstances, no income inclusion would be recorded until these unrecognised losses have been eliminated.

Inter-entity balances and transactions are not eliminated under the modified equity method.

Portfolio investments are recorded on the cost, unless the market value has declined below cost, in which case they are written down to market value. Unless the decline is determined to be temporary in nature.

## Cheslatta Carrier Nation

### Notes to Consolidated Financial Statements

March 31, 2020

#### 1. Impacts of COVID on Cheslatta Carrier Nation

As the impacts of COVID-19 continue, there could be further impact on the Group, its funders and its business entities. The Group has continued to deliver services during this pandemic through a variety of means, whether face-to-face or utilizing technology as the Group was deemed an essential service. Management is actively monitoring the effect on its financial condition, liquidity, operations and workforce. Given the daily evolution of the COVID-19 outbreak and the global responses to curb its spread, the Group is not able to fully estimate the effects of the COVID-19 outbreak on its result of operations, financial condition, or liquidity at this time.

#### 2. Restricted Cash

	2020	2019
Ottawa trust - Revenue	\$ 88,901	\$ 84,766
Ottawa trust- Capital	36,264	36,264
	<u>\$ 125,165</u>	<u>\$ 121,030</u>

The Ottawa trust accounts 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. These funds are restricted in their use. The Group is permitted to use its revenue for any purpose that will promote the general progress and welfare of the Nation and Nation members. The expenses of capital funds requires the consent of Indigenous Services Canada ("ISC") and generally must be for projects of a capital nature. Withdrawals of revenue or capital funds are recorded as revenue in the applicable fund where the monies are expended.

#### 3. Accounts Receivable

	2020	2019
Loans and advances	\$ 467,688	\$ 425,739
Rent receivable	1,442,906	1,292,506
Social Development loans	3,835	3,860
Trade receivables	1,391,423	1,945,706
Allowance for doubtful accounts	<u>(1,620,036)</u>	<u>(1,391,187)</u>
	<u>\$ 1,685,816</u>	<u>\$ 2,276,624</u>

Included above are employee loans receivable and social development loans receivable. These loans require bi-weekly repayments, are non-interest bearing, and are repayable in full within thirty days if demanded.



## Cheslatta Carrier Nation

### Notes to Consolidated Financial Statements

March 31, 2020

#### 4. Investments

	2020	2019
Four Rivers Co-operative	\$ 41,740	\$ 27,102
British Columbia First Nation Gaming Revenue LP	110	-
Chinook Comfor LP	1,415	1,415
	<u>\$ 43,265</u>	<u>\$ 28,517</u>

Investment in Four Rivers Co-operative is comprised of the proportionate share of equity earned from purchases at Four Rivers Co-operative located in Vanderhoof British Columbia.

During the year the Group invested in BC First Nation Gaming Limited Partnership.

The Nation has a 14.18% interest in Chinook Comfor Limited Partnership.

#### 5. Investments in Government Business Enterprises

	2020	2019
Cheslatta Forest Products Ltd.	\$ (24,222)	\$ (24,222)
Ootsa Resources Limited Partnership	(582)	(582)
Danskin Garage Enterprises Ltd.	(165,583)	(151,626)
Noot'senay Enterprises Limited Partnership	2,789,310	3,763,891
Tsacho Enterprises Limited Partnership	366,536	336,328
Pondosy Bay Wilderness Resort Ltd.	(400,483)	(272,138)
	<u>\$ 2,564,976</u>	<u>\$ 3,651,651</u>

The below table summarizes Advances to Government Business Enterprises:

	2020	2019
Due from Danskin Garage Enterprises Ltd.	\$ 506,515	\$ 498,047
Due from Pandosy Bay Wilderness Resort Ltd.	1,168,600	960,941
Due from Cheslatta Property Management Ltd.	10,771	-
Due from Cheslatta Aggregates GP Ltd.	1,961	1,961
Due from Tsacho Enterprises Limited Partnership	3,428	2,436
Due from Cheslatta Limited Partnership	2,248	2,248
Due from Cheslatta Contractors Limited Partnership	15,864	14,678
Due from Cheslatta Development Limited Partnership	19,628	17,376
Due from Green Demo North Partnership	4,146	4,146
Due from Nechako River Legacy Partnership	37	-
	<u>\$ 1,733,198</u>	<u>\$ 1,501,833</u>

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**Cheslatta Carrier Nation**  
**Notes to Consolidated Financial Statements**

**March 31, 2020**

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**5. Investments in Government Business Enterprises (continued)**

Combined financial information for government businesses owned 100% by the Nation is as follows:

	<u>2020</u>	<u>2019</u>
<b>Balance Sheet</b>		
Assets	\$ 4,355,905	\$ 4,855,825
Liabilities	1,786,521	1,048,186
Equity	2,569,381	3,807,639
<b>Results of Operations</b>		
Revenue	\$ 805,038	\$ 1,241,690
Expenses	511,128	1,229,868
Net income	<u>\$ 293,910</u>	<u>\$ 11,822</u>

**Cheslatta Carrier Nation**  
**Notes to Consolidated Financial Statements**

March 31, 2020

**6. Tangible Capital Assets**

	<b>2020</b>							
	Equipment	Buildings	Infrastructure	Land	Marine equipment	Automotive equipment	Nation Owned Housing - buildings	Total
Cost, beginning of year	\$ 3,853,783	\$ 2,349,295	\$ 614,739	\$ 1,587,827	\$ 576,262	\$ 1,075,526	\$ 816,935	\$ 10,874,367
Additions	330,159	119,353	58,468	-	167,588	141,895	560,218	1,377,681
Cost, end of year	\$ 4,183,942	\$ 2,468,648	\$ 673,207	\$ 1,587,827	\$ 743,850	\$ 1,217,421	\$ 1,377,153	\$ 12,252,048
Accumulated amortization, beginning of year	\$ 852,988	\$ 1,047,997	\$ 523,531	\$ -	\$ 265,823	\$ 904,997	\$ 503,000	\$ 4,098,336
Amortization	629,379	96,359	32,199	-	59,135	65,499	29,702	912,273
Accumulated amortization, end of year	\$ 1,482,367	\$ 1,144,356	\$ 555,730	\$ -	\$ 324,958	\$ 970,496	\$ 532,702	\$ 5,010,609
Net carrying amount, end of year	\$ 2,701,575	\$ 1,324,292	\$ 117,477	\$ 1,587,827	\$ 418,892	\$ 246,925	\$ 844,451	\$ 7,241,439

**Cheslatta Carrier Nation**  
**Notes to Consolidated Financial Statements**

March 31, 2020

**8. Tangible Capital Assets (continued)**

	2019							
	Equipment	Buildings	Infrastructure	Land	Marine equipment	Automotive equipment	Nation Owned Housing - buildings	Total
Cost, beginning of year	\$ 760,065	\$ 1,890,898	\$ 614,739	\$ 1,587,827	\$ 576,262	\$ 1,064,933	\$ 816,935	\$ 7,311,659
Additions	3,093,718	458,397	-	-	-	10,593	-	3,562,708
Cost, end of year	\$ 3,853,783	\$ 2,349,295	\$ 614,739	\$ 1,587,827	\$ 576,262	\$ 1,075,526	\$ 816,935	\$ 10,874,367
Accumulated amortization, beginning of year	\$ 493,529	\$ 963,193	\$ 492,794	\$ -	\$ 211,040	\$ 840,654	\$ 486,477	\$ 3,487,687
Amortization	359,459	84,804	30,737	-	54,783	64,343	16,523	610,649
Accumulated amortization, end of year	\$ 852,988	\$ 1,047,997	\$ 523,531	\$ -	\$ 265,823	\$ 904,997	\$ 503,000	\$ 4,098,336
Net carrying amount, end of year	\$ 3,000,795	\$ 1,301,298	\$ 91,208	\$ 1,587,827	\$ 310,439	\$ 170,529	\$ 313,935	\$ 6,776,031

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**Cheslatta Carrier Nation**  
**Notes to Consolidated Financial Statements**

**March 31, 2020**

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**7. Accounts Payable**

	<u>2020</u>	<u>2019</u>
Accounts payable and accrued liabilities	\$ 1,365,207	\$ 1,106,397
Government remittances	8,357	110,264
Accrued wages and benefits	83,190	78,119
Worksafe BC payable	8,723	7,397
	<u>\$ 1,465,477</u>	<u>\$ 1,302,177</u>

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**8. Deferred Revenue**

Deferred revenue represents amounts received that relate to a subsequent period. A breakdown of deferred revenue is as follows:

	<u>2020</u>	<u>2019</u>
FNHA- Headstart program	\$ 21,132	\$ -
	<u>\$ 21,132</u>	<u>\$ -</u>

## Cheslatta Carrier Nation Notes to Consolidated Financial Statements

March 31, 2020

### 9. Long Term Debt

	2020	2019
Indigenous Services Canada land claim negotiation loan forgiven during the year.	\$ -	\$ 563,842
Loan bearing interest at 4.20% per annum, repayable in monthly blended payments of \$20,091, maturing June 2025.	1,137,603	1,307,202
Loan bearing interest at 4.45% per annum, repayable in monthly blended payments of \$7,771, maturing December 2024.	477,950	548,461
Mortgage bearing interest at prime plus 1% (2019 - 1%) per annum, repayable in monthly principal payments of \$5,750 plus interest, maturing April 2021 and is secured by the assignment of rents on the houses owned by the Nation.	69,028	138,028
Mortgage bearing interest at 3.90% per annum, repayable in monthly principal payments of \$949, maturing November 2026.	66,183	74,767
Loan bearing interest at 4.50% per annum, repayable in monthly blended payments of \$4,215, maturing June 2025.	246,450	284,839
Loan bearing interest at 4.20% per annum, repayable in monthly blended payments of \$9,158, maturing May 2025.	530,240	605,990
	<u>\$ 2,527,454</u>	<u>\$ 3,523,129</u>

The estimated principal repayments on the above long term debt required over the next five years are as follows:

2021	\$ 494,783
2022	441,206
2023	457,118
2024	473,651
2025	543,077
Thereafter	117,619
	<u>\$ 2,527,454</u>

### 10. Accumulated Surplus

	2020	2019
Unrestricted surplus (deficit)	\$ (1,001,318)	\$ 3,614,055
Equity in Ottawa Trust	125,165	121,030
Equity in Tangible Capital Assets	7,054,314	6,588,906
	<u>\$ 6,178,161</u>	<u>\$ 10,323,991</u>

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**Cheslatta Carrier Nation**  
**Notes to Consolidated Financial Statements**

**March 31, 2020**

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**11. Comparative Figures**

Certain comparative amounts presented in the financial statements have been restated to conform to current year's presentation.

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**12. Prior Period Adjustment**

During the year, it was determined that there was an error in the recording of Chinook Comfor Limited Partnership as a Government Business Enterprise.

The impact of these restatements are as follows:

<u>Statement of Financial Position</u>	<u>As Previously Stated</u>	<u>Increase (Decrease)</u>	<u>Restated</u>
Investment in GBE	5,286,988	(132,089)	5,154,899
Opening, accumulated surplus	10,604,875	(212,070)	10,392,805
Opening, net financial assets	6,663,974	(212,070)	6,451,904
 <u>Statement of Operations</u>	 <u>As Previously Stated</u>	 <u>Increase (Decrease)</u>	 <u>Restated</u>
Income (loss) from GBE	(68,160)	79,982	11,822
Annual deficit	(148,796)	79,982	(68,814)

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## **Cheslatta Carrier Nation**

### **Notes to Consolidated Financial Statements**

**March 31, 2020**

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#### **13. Silviculture Liability**

A silviculture liability was established to bear the responsibility of funding silviculture expenditures with regards to Nation owned timber licenses. The Nation funds the silviculture liability based on a set charge per cubic metre of logs harvested. Balance accrued for March 31, 2020 based on logging performance is \$4,672,403 (2019 - \$2,371,540).

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#### **14. Fiscal Plan**

Canadian public sector accounting standards requires that the Nation's budget be presented in the financial statements. As the Nation currently does not prepare the budget in a format comparative to the consolidated statement of operations line items, no budgeted figures have been presented as otherwise required.

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**Cheslatta Carrier Nation**  
**Notes to Consolidated Financial Statements**

**March 31, 2020**

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**15. Expenses by Object**

	2020	2019
Advertising & promotion	\$ 4,890	\$ 1,983
Amortization	912,273	610,650
Fuel	659,095	558,580
Bad debts	87,367	150,400
Bank charges & interest	12,996	6,768
Program expenses	952,369	772,388
Consulting fees	-	25,796
Sub contractors	3,795,996	630,771
Silviculture expenses	2,365,485	1,196,448
Materials & supplies	610,991	551,017
Honoraria	85,983	86,318
Insurance	192,384	165,087
Interest on long-term debt	97,162	97,505
Meetings	19,135	18,456
Office & miscellaneous	363,566	315,582
Membership payments	1,270,300	998
Travel	400,812	434,758
Professional fees	1,369,949	1,581,093
Property taxes	17,546	21,773
Repairs and maintenance	809,147	499,570
Rent	489,839	156,395
Wages & benefits	4,193,724	5,582,077
Student support	205,810	189,436
Telephone	52,554	54,497
Training	-	33
Utilities	38,747	39,151
	<u>\$ 19,008,120</u>	<u>\$ 13,747,530</u>

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## Cheslatta Carrier Nation

### Notes to Consolidated Financial Statements

March 31, 2020

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#### 16. Segment Disclosure

The Nation is a diversified First Nations organization that provides a wide range of services to its members. Distinguishable functional segments have been separately disclosed in the segmented information. The nature of the segments and the activities they encompass are as follows:

##### **Social Development**

This service area provides services to help the members by providing a variety of programs, community services and social assistance.

##### **Administration**

This item relates to the revenues and expenses that relate to the operations of the Nation itself and cannot be directly attributed to a specific segment.

##### **Operations and Maintenance**

This service area provides services relating to the development, maintenance and service of the Nation's assets, infrastructure and common property.

##### **Education**

This service area relates to revenues and expenses related to primary, secondary, and post secondary education of the Nation's members.

##### **Health Services**

This service area includes activities related to the provision of health related services for the Nation's members.

##### **Community Welfare**

This service area includes activities related to the support of the Nation's members through community projects.

##### **Economic Development**

This service area provides for the development of economic opportunities to the members, along with the exploration of the development of natural resource revenues.

##### **Capital**

This service area provides for the development of new capital projects and infrastructure programs on the reserve.

##### **Treaty Related Matters**

This service area relates to revenues and expenses related to the Treaty Fund with ISC.

##### **Housing**

This service area relates to revenues and expenses relating to maintenance of house for the Nation's members.

**Cheslatta Carrier Nation**  
Notes to Consolidated Financial Statements

March 31, 2020

16. Segment Disclosure  
(continued)

2020

	Administration	Community Welfare	Operations & Maintenance	Education	Economic Development	Health Services	Social Development	Housing	Treaty Related Matters	Capital	Total
Revenue											
ISC	\$ 319,924	\$ 20,721	\$ 153,100	\$ 245,119	\$ -	\$ -	\$ 321,977	\$ -	\$ -	\$ 11,250	\$ 1,072,091
Other	2,262,225	917,596	21,639	-	9,753,679	121,458	30,000	89,704	566,000	27,898	13,790,199
	2,582,149	938,317	174,739	245,119	9,753,679	121,458	351,977	89,704	566,000	39,148	14,862,290
Expenses											
Payroll	1,000,114	81,080	189,847	-	2,843,580	44,092	35,010	-	-	-	4,193,723
Other	2,332,680	1,240,447	577,333	156,441	8,779,406	149,763	284,286	377,868	2,158	1,742	13,902,124
Amortization	-	-	-	-	-	-	-	-	-	912,273	912,273
	3,332,794	1,321,527	767,180	156,441	11,622,986	193,855	319,296	377,868	2,158	914,015	19,008,120
Surplus (deficit)	\$ (750,645)	\$ (383,210)	\$ (592,441)	\$ 88,678	\$ (1,869,307)	\$ (72,397)	\$ 32,681	\$ (288,164)	563,842	\$ (874,867)	\$ (4,145,830)

2019

	Administration	Community Welfare	Operations & Maintenance	Education	Economic Development	Health Services	Social Development	Housing	Treaty Related Matters	Capital	Total
Revenue											
ISC	\$ 273,907	\$ -	\$ 127,961	\$ 216,295	\$ 18,172	\$ -	\$ 287,741	\$ -	\$ -	\$ -	\$ 924,076
Other	430,162	1,505,759	277,638	-	10,173,441	231,772	30,416	226,683	-	(121,231)	12,754,640
	704,069	1,505,759	405,599	216,295	10,191,613	231,772	318,157	226,683	-	(121,231)	13,678,716
Expenses											
Payroll	947,290	192,834	190,942	-	4,161,729	47,830	41,453	-	-	-	5,582,078
Other	895,343	1,562,163	304,040	144,872	3,939,595	89,870	252,722	356,180	10,017	-	7,554,802
Amortization	-	-	-	-	-	-	-	-	-	610,650	610,650
	1,842,633	1,754,997	494,982	144,872	8,101,324	137,700	294,175	356,180	10,017	610,650	13,747,530
Surplus (deficit)	\$ (1,138,564)	\$ (249,238)	\$ (89,383)	\$ 71,423	\$ 2,090,289	\$ 94,072	\$ 23,982	\$ (129,497)	10,017	\$ (731,881)	\$ (68,814)