

Cheslatta Carrier Nation
Consolidated Financial Information
For the year ended March 31, 2021

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For the year ended March 31, 2021

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Management's Responsibility for Financial Reporting

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



Chief



Director of Operations

Independent Auditor's Report

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, 2021, 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, 2021, 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, 2021 nor has the Nation included in revenue the funds received that were used to create the trust.

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, 2021 and 2020, Government Business Enterprises income and annual surplus (deficit) for the year ended March 31, 2021 and 2020, and the accumulated surplus as at April 1 and March 31 for both the 2021 and 2020 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, 2021 and 2020, and the accumulated surplus as at April 1 and March 31 for both the 2021 and 2020 year.

Our audit opinion on the consolidated financial statements for the year ended March 31, 2021 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, 2021 has been restated. Our opinion is not modified in respect of this matter.

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.

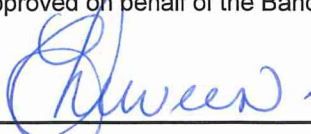
Chartered Professional Accountants


Kamloops, British Columbia
August 15, 2024

Cheslatta Carrier Nation
Exhibit A - Consolidated Statement of Financial Position

As at March 31	2021	2020
Financial Assets		
Cash	\$ 4,660,703	\$ 1,352,019
Restricted cash (Note 2)	127,459	125,165
Accounts receivable (Note 3)	4,929,779	1,685,816
Investments (Note 4)	43,265	43,265
Investments in Government Business Enterprises (Note 5)	1,384,345	2,564,976
Advances to Government Business Enterprises (Note 5)	1,794,372	1,733,198
	<u>12,939,923</u>	<u>7,504,439</u>
Liabilities		
Accounts payable (Note 7)	3,081,628	1,465,477
Deferred revenue (Note 8)	577,405	21,132
Silviculture Liability (Note 12)	4,305,478	4,672,403
Long term debt (Note 9)	2,043,742	2,527,454
	<u>10,008,253</u>	<u>8,686,466</u>
Net Financial Assets (Liabilities)	<u>2,931,670</u>	<u>(1,182,027)</u>
Non-financial Assets		
Tangible capital assets (Note 6)	7,145,405	7,241,439
Inventory	5,105	5,105
Prepaid expenses	97,192	113,644
	<u>7,247,702</u>	<u>7,360,188</u>
Accumulated surplus (Note 10)	<u>\$ 10,179,372</u>	<u>\$ 6,178,161</u>

Approved on behalf of the Band Council:





Chief

Band Administrator

Cheslatta Carrier Nation			
Exhibit B - Consolidated Statement of Change in Net Financial Assets (Liabilities)			
For the year ended March 31	Budget	2021	2020
Annual Surplus (deficit)	\$ -	\$ 4,001,211	\$ (4,145,830)
Acquisition of tangible capital assets	-	(798,532)	(1,377,681)
Amortization of tangible capital assets	-	894,567	912,273
Change of prepaid expenses	-	16,450	80,342
Net change in net financial assets	-	4,113,696	(4,530,896)
Net financial assets, opening	-	(1,182,027)	3,348,869
Net financial assets (liabilities), end of year	\$ -	\$ 2,931,669	\$ (1,182,027)

Cheslatta Carrier Nation

Exhibit C - Consolidated Statement of Operations

For the year ended March 31	Budget	2021	2020
Revenue			
Indigenous Services Canada	\$ -	\$ 1,494,892	\$ 1,072,091
First Nations Health Authority	-	74,691	10,282
Rio Tinto	-	17,422,906	3,145,607
BCFN Gaming	-	345,439	320,780
Forestry & logging	-	7,705,289	6,968,152
Province of BC	-	941,560	430,000
PGNAETA	-	123,908	50,270
Rental revenue	-	254,931	84,814
FNESC	-	48,592	18,111
CSFS	-	553,322	109,876
Interest	-	24,866	53,237
Government business enterprise (loss) income	-	(143,573)	293,910
Other revenue	-	2,738,143	1,739,160
Treaty loan forgiveness	-	-	566,000
	-	31,584,966	14,862,290
Expenses			
Administration	-	2,339,787	3,332,794
Community Welfare	-	1,171,081	1,321,527
Operations & Maintenance	-	852,772	767,180
Education	-	114,924	156,441
Economic Development	-	20,650,575	11,622,986
Health Services	-	370,197	193,855
Social Development	-	519,674	319,296
Housing	-	330,043	377,868
Capital	-	340,136	1,742
Amortization	-	894,566	912,273
Treaty Related Matters	-	-	2,158
	-	27,583,755	19,008,120
Surplus (deficit) for the year	\$ -	\$ 4,001,211	\$ (4,145,830)

Cheslatta Carrier Nation
Exhibit D - Consolidated Statement of Cash Flows

For the year ended March 31	2021	2020
		(Restated)
Operating activities		
Cash received from funding agreements and contracts	\$ 28,897,278	\$ 15,233,005
Cash paid to suppliers and employees	<u>(25,423,512)</u>	<u>(15,551,343)</u>
Cash flows from (used in) operating activities	<u>3,473,766</u>	<u>(318,338)</u>
Financing activities		
Repayment of long term debt	<u>(483,711)</u>	<u>(431,833)</u>
Cash flows from (used in) financing activities	<u>(483,711)</u>	<u>(431,833)</u>
Capital activities		
Purchase of capital assets	<u>(798,532)</u>	<u>(1,377,681)</u>
Cash flows used in capital activities	<u>(798,532)</u>	<u>(1,377,681)</u>
Investing activities		
Advances from GBE's	1,119,455	532,694
Purchase of investments	<u>-</u>	<u>(14,748)</u>
Cash flows from investing activities	<u>1,119,455</u>	<u>517,946</u>
Increase (decrease) in cash and cash equivalents	3,310,978	(1,609,906)
Cash and cash equivalents, beginning of year	<u>1,477,184</u>	<u>3,087,090</u>
Cash and cash equivalents, end of year	\$ 4,788,162	\$ 1,477,184
Represented by:		
Cash	\$ 4,660,703	\$ 1,352,019
Restricted cash	<u>127,459</u>	<u>125,165</u>
Cash and cash equivalents, end of year	\$ 4,788,162	\$ 1,477,184

Cheslatta Carrier Nation Summary of Significant Accounting Policies

March 31, 2021

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.

Cheslatta Carrier Nation

Summary of Significant Accounting Policies

March 31, 2021

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 Vantine 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 River 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 it is 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 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.

Cheslatta Carrier Nation Summary of Significant Accounting Policies

March 31, 2021

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.

Cheslatta Carrier Nation

Summary of Significant Accounting Policies

March 31, 2021

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 unrecognized 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, 2021

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

	2021	2020
Ottawa trust - Revenue	\$ 91,195	\$ 88,901
Ottawa trust- Capital	36,264	36,264
	<u>\$ 127,459</u>	<u>\$ 125,165</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

	2021	2020
Loans and advances	\$ 453,717	\$ 467,688
Social Development loans	3,835	3,835
Trade receivables	4,649,356	1,391,422
	<u>5,106,908</u>	1,862,945
Allowance for doubtful accounts	<u>(177,129)</u>	<u>(177,129)</u>
	<u>\$ 4,929,779</u>	<u>\$ 1,685,816</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, 2021

4. Investments

	2021	2020
Four Rivers Co-operative	\$ 41,740	\$ 41,740
British Columbia First Nation Gaming Revenue LP	110	110
Chinook Comfor LP	1,415	1,415
	<u>\$ 43,265</u>	<u>\$ 43,265</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

	2021	2020
Cheslatta Forest Products Ltd.	\$ (10,882)	\$ (24,222)
Ootsa Resources Limited Partnership	(582)	(582)
Danskin Garage Enterprises Ltd.	(157,357)	(165,583)
Noot'senay Enterprises Limited Partnership	1,682,085	2,789,310
Tsacho Enterprises Limited Partnership	389,048	366,536
Pondosy Bay Wilderness Resort Ltd.	(517,967)	(400,483)
	<u>\$ 1,384,345</u>	<u>\$ 2,564,976</u>

The below table summarizes Advances to Government Business Enterprises:

	2021	2020
Due from Danskin Garage Enterprises Ltd.	\$ 514,193	\$ 506,515
Due from Pandosy Bay Wilderness Resort Ltd.	1,300,366	1,168,600
Due from Cheslatta Property Management Ltd.	12,612	10,771
Due from Cheslatta Aggregates GP Ltd.	1,961	1,961
Due from Tsacho Enterprises Limited Partnership	3,555	3,428
Due from Cheslatta Limited Partnership	2,248	2,248
Due from Cheslatta Contractors Limited Partnership	16,198	15,864
Due from Cheslatta Development Limited Partnership	39,056	19,628
Due from Green Demo North Partnership	4,146	4,146
Due from Nechako River Legacy Partnership	37	37
Due to Nootsenay Enterprises Ltd.	(100,000)	-
	<u>\$ 1,794,372</u>	<u>\$ 1,733,198</u>

Cheslatta Carrier Nation
Notes to Consolidated Financial Statements

March 31, 2021

5. Investments in Government Business Enterprises (continued)

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

	<u>2021</u>	<u>2020</u>
Balance Sheet		
Assets	\$ 3,480,029	\$ 4,355,905
Liabilities	2,087,887	1,786,521
Equity	1,392,139	2,569,381
Results of Operations		
Revenue	\$ 328,886	\$ 805,038
Expenses	456,653	511,128
Net income	<u>\$ (127,767)</u>	<u>\$ 293,910</u>

Cheslatta Carrier Nation
Notes to Consolidated Financial Statements

March 31, 2021

6. Tangible Capital Assets

	2021							
	Equipment	Buildings	Infrastructure	Land	Marine equipment	Automotive equipment	Nation Owned Housing - buildings	Total
Cost, beginning of year	\$ 4,183,942	\$ 2,468,648	\$ 673,207	\$ 1,587,827	\$ 743,850	\$ 1,217,421	\$ 1,377,153	\$ 12,252,048
Additions	462,705	1,672	14,753	-	-	46,844	272,558	798,532
Cost, end of year	<u>\$ 4,646,647</u>	<u>\$ 2,470,320</u>	<u>\$ 687,960</u>	<u>\$ 1,587,827</u>	<u>\$ 743,850</u>	<u>\$ 1,264,265</u>	<u>\$ 1,649,711</u>	<u>\$ 13,050,580</u>
Accumulated amortization, beginning of year	\$ 1,482,367	\$ 1,144,356	\$ 555,730	\$ -	\$ 324,958	\$ 970,496	\$ 532,702	\$ 5,010,609
Amortization	582,386	96,395	34,029	-	62,834	69,886	49,036	894,566
Accumulated amortization, end of year	<u>\$ 2,064,753</u>	<u>\$ 1,240,751</u>	<u>\$ 589,759</u>	<u>\$ -</u>	<u>\$ 387,792</u>	<u>\$ 1,040,382</u>	<u>\$ 581,738</u>	<u>\$ 5,905,175</u>
Net carrying amount, end of year	<u>\$ 2,581,894</u>	<u>\$ 1,229,569</u>	<u>\$ 98,201</u>	<u>\$ 1,587,827</u>	<u>\$ 356,058</u>	<u>\$ 223,883</u>	<u>\$ 1,067,973</u>	<u>\$ 7,145,405</u>

Cheslatta Carrier Nation
Notes to Consolidated Financial Statements

March 31, 2021

6. Tangible Capital Assets (continued)

	2020															
	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, 2021

7. Accounts Payable

	<u>2021</u>	<u>2020</u>
Accounts payable and accrued liabilities	\$ 2,581,560	\$ 1,365,207
GST	35,282	(53,241)
Accrued wages and benefits	206,020	83,190
Worksafe BC payable	68,329	8,723
Government Remittances	190,437	61,598
	<u>\$ 3,081,628</u>	<u>\$ 1,465,477</u>

8. Deferred Revenue

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

	<u>2021</u>	<u>2020</u>
FNHA- Headstart program	\$ 7,405	\$ 21,132
Nechako Stewardship	570,000	-
	<u>\$ 577,405</u>	<u>\$ 21,132</u>

Cheslatta Carrier Nation

Notes to Consolidated Financial Statements

March 31, 2021

9. Long Term Debt

	2021	2020
Loan bearing interest at 4.20% per annum, repayable in monthly blended payments of \$20,091, maturing June 2025.	\$ 939,578	\$ 1,137,603
Loan bearing interest at 4.45% per annum, repayable in monthly blended payments of \$7,771, maturing December 2024.	405,452	477,950
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
Mortgage bearing interest at 3.90% per annum, repayable in monthly principal payments of \$949, maturing November 2026.	57,235	66,183
Loan bearing interest at 4.50% per annum, repayable in monthly blended payments of \$4,215, maturing June 2025.	207,138	246,450
Loan bearing interest at 4.20% per annum, repayable in monthly blended payments of \$9,158, maturing May 2025.	434,339	530,240
	<u>\$ 2,043,742</u>	<u>\$ 2,527,454</u>

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

2022	\$ 441,178
2023	457,118
2024	473,651
2025	550,623
Thereafter	<u>121,172</u>
	<u>\$ 2,043,742</u>

10 . Accumulated Surplus

	2021	2020
Unrestricted surplus (deficit)	\$ 3,093,633	\$ (1,001,318)
Equity in Ottawa Trust	127,459	125,165
Equity in Tangible Capital Assets	6,958,280	7,054,314
	<u>\$ 10,179,372</u>	<u>\$ 6,178,161</u>

Cheslatta Carrier Nation

Notes to Consolidated Financial Statements

March 31, 2021

11. Comparative Figures

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

12. 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, 2021 based on logging performance is \$4,305,478 (2020 - \$4,672,403).

13. 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.

Cheslatta Carrier Nation
Notes to Consolidated Financial Statements

March 31, 2021

14. Expenses by Object

	<u>2021</u>	<u>2020</u>
Advertising & promotion	\$ 8,195	\$ 4,890
Amortization	894,566	912,273
Fuel	486,482	659,095
Bad debts	173,497	87,367
Bank charges & interest	13,463	12,995
Program expenses	1,284,706	952,369
Consulting fees	200,228	-
Sub contractors	5,396,950	3,795,996
Silviculture expenses	685,593	2,365,485
Materials & supplies	2,942,722	610,991
Honoraria	83,814	85,983
Insurance	243,720	192,384
Interest on long-term debt	87,534	97,162
Meetings	30,090	19,135
Office & miscellaneous	360,408	363,566
Membership payments	2,242	1,270,300
Travel	134,895	301,611
Travel - RTA contracts	1,587,690	99,201
Professional fees	1,700,293	1,369,949
Property taxes	22,007	17,546
Repairs and maintenance	584,268	809,147
Equipment rental	1,195,627	489,839
Wages & benefits	9,161,959	4,193,724
Student support	167,578	205,810
Telephone	59,116	52,554
Training	36,505	-
Utilities	39,607	38,748
	<u>\$ 27,583,755</u>	<u>\$ 19,008,120</u>

Cheslatta Carrier Nation

Notes to Consolidated Financial Statements

March 31, 2021

15. 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, 2021

15. Segment Disclosure
(continued)

2021

	Administration	Community Welfare	Operations & Maintenance	Education	Economic Development	Health Services	Social Development	Housing	Treaty Related Matters	Capital	Total
Revenue											
ISC	\$ 85,172	\$ 272,691	\$ 270,942	\$ 194,394	\$ 118,172	\$ -	\$ 553,521	\$ -	\$ -	\$ -	\$ 1,494,892
Other	1,164,085	1,594,547	884,011	-	25,509,406	612,963	30,000	260,866	-	34,196	30,090,074
	1,249,257	1,867,238	1,154,953	194,394	25,627,578	612,963	583,521	260,866	-	34,196	31,584,966
Expenses											
Payroll	1,294,513	74,897	371,453	-	7,314,031	68,264	33,829	10	-	4,945	9,161,942
Other	1,045,274	1,096,184	481,319	114,924	13,336,544	301,933	485,845	330,033	-	335,191	17,527,247
Amortization	-	-	-	-	-	-	-	-	-	894,566	894,566
	2,339,787	1,171,081	852,772	114,924	20,650,575	370,197	519,674	330,043	-	1,234,702	27,583,755
Surplus (deficit)	\$ (1,090,530)	\$ 696,157	\$ 302,181	\$ 79,470	\$ 4,977,003	\$ 242,766	\$ 63,847	\$ (69,177)	-	\$ (1,200,506)	\$ 4,001,211

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)