

TL'ETINQOX GOVERNMENT
CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2022

**TL'etinqox Government
Consolidated Financial Statements
For the year ended March 31, 2022**

Consolidated Financial Statements

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TL ETINQOX GOVERNMENT

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CHIEF AND COUNCIL AND MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The accompanying consolidated financial statements of Tl'etinqox Government are the responsibility of management and have been approved by 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 consolidated financial statements are presented fairly, in all material respects.

Tl'etinqox Government maintains systems of internal accounting and administrative controls of high 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.

Tl'etinqox Government 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 the Nation's Council.

Chief and Council review the Nation's consolidated financial statements and recommend their approval. 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 financial statements and the external auditor's report. Chief and Council takes this information into consideration when approving the financial statements for issuance to the Members. Chief and Council also appoint the engagement of the external auditors.

The consolidated financial statements have been audited by FBB Chartered Professional Accountants LLP in accordance with Canadian generally accepted auditing standards on behalf of the members. FBB Chartered Professional Accountants LLP has full access to Chief and Council.

Chief

Director of Finance



CHARTERED
PROFESSIONAL
ACCOUNTANTS LLP

Ryan Broughton, CPA, CA*

Partner

Quan Cheng, CPA, CA*

Partner

**Denotes incorporated professional*

INDEPENDENT AUDITOR'S REPORT

To Chief and Council
Tl'etinqox Government

Opinion

We have audited the consolidated financial statements of the Tl'etinqox Government, which comprise the consolidated statement of financial position as at March 31, 2022, and the consolidated statements of operations and accumulated surplus, changes in net financial assets and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Tl'etinqox Government as at March 31, 2022, and its financial performance and 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 report. We are independent of the First Nation in accordance with ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance

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

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

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



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INDEPENDENT AUDITOR'S REPORT (continued)

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 judgement 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 one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the First Nation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the First Nation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the First Nation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



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INDEPENDENT AUDITOR'S REPORT (continued)

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements (continued)

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.

*FBB Chartered Professional
Accountants LLP*

FBB Chartered Professional Accountants LLP

August 31, 2022
Quesnel, British Columbia

Tl'etinqox Government
Consolidated Statement of Financial Position
For the year ended March 31, 2022

	2022	2021
FINANCIAL ASSETS		
Cash (Note 2)	\$ 2,536,123	\$ 2,367,275
Restricted cash (Note 3)	5,969,594	2,061,989
Accounts receivable (Note 4)	2,257,068	1,804,058
Investment in government business entities (Note 5)	2,540,043	463,182
Due from related parties (Note 6)	1,947,854	1,545,821
Inventory	<u>24,750</u>	<u>13,750</u>
	<u>15,275,432</u>	<u>8,256,075</u>
LIABILITIES		
Accounts payable (Note 7)	1,052,242	1,783,368
Deferred revenue (Note 8)	4,443,055	1,511,632
Long-term debt (Note 9)	<u>1,228,852</u>	<u>1,347,188</u>
	<u>6,724,149</u>	<u>4,642,188</u>
NET FINANCIAL ASSETS	<u>8,551,283</u>	<u>3,613,887</u>
NON-FINANCIAL ASSETS		
Prepaid expenses	114,848	106,997
Tangible capital assets (Note 10)	<u>24,537,710</u>	<u>22,083,358</u>
	<u>24,652,558</u>	<u>22,190,355</u>
ACCUMULATED SURPLUS (Note 11)	<u>\$ 33,203,841</u>	<u>\$ 25,804,242</u>

Approved on behalf of the First Nation:

Tl'etinqox Government
Consolidated Statement of Operations and Accumulated Surplus
For the year ended March 31, 2022

	2022 Budget	2022	2021
REVENUE (Note 8 and 16)			
Indigenous Services Canada	\$ 6,494,119	\$ 11,655,605	\$ 11,100,791
Province of British Columbia	3,032,248	2,725,676	1,893,400
Income Government Business Enterprises	-	2,076,861	301,574
First Nations Health Authority	1,910,390	2,036,112	1,986,613
First Nations Education Steering Committee	610,000	724,285	657,233
Other Revenue	604,671	685,379	1,271,390
Other Government	396,073	479,073	456,073
Rental Revenue	338,903	298,340	245,679
Government of Canada	71,148	96,488	162,081
Cariboo Chilcotin Aboriginal Training Employment Centre	15,000	49,324	71,184
Administration	175,679	62,214	43,564
Interest	1,500	10,800	1,129
Gas Bar Sales	-	-	2,094,671
Change in Deferred Revenue	<u>1,511,632</u>	<u>(3,076,636)</u>	<u>(129,186)</u>
	<u>15,161,363</u>	<u>17,823,621</u>	<u>20,156,196</u>
EXPENSES (Note 14 and 16)			
Administration	1,346,629	1,466,662	1,364,262
Operations and Maintenance	452,300	529,852	521,263
Education	3,373,307	3,345,993	2,533,275
Emergency Management	428,866	355,752	432,463
Health and Wellness	2,244,003	1,616,047	1,451,929
Housing	455,101	371,125	362,279
Forest Resource Opportunity	501,704	323,930	82,397
Own Source	161,809	313,974	209,709
Social Development	2,815,852	2,017,565	2,093,574
Capital	3,969,746	83,122	3,077,443
Gas Bar	-	-	2,022,794
	<u>15,749,317</u>	<u>10,424,022</u>	<u>14,151,388</u>
ANNUAL SURPLUS	<u>\$ (587,954)</u>	<u>7,399,599</u>	<u>6,004,808</u>
ACCUMULATED SURPLUS, BEGINNING OF THE YEAR		<u>25,804,242</u>	<u>19,799,434</u>
ACCUMULATED SURPLUS, END OF THE YEAR	<u>\$ 33,203,841</u>	<u>\$ 25,804,242</u>	

TI'etinqox Government
Consolidated Statement of Changes in Net Assets
For the year ended March 31, 2022

	<u>2022</u>	<u>2021</u>
ANNUAL SURPLUS	<u>\$ 7,399,599</u>	<u>\$ 6,004,808</u>
TANGIBLE CAPITAL ASSETS		
Purchase of tangible capital assets	(3,840,102)	(2,855,267)
Proceeds on disposal of tangible capital assets	158,981	-
(Gain) loss on disposal of tangible capital assets	(27,316)	105,179
Amortization of tangible capital assets	<u>1,254,085</u>	<u>1,102,767</u>
	<u>(2,454,352)</u>	<u>(1,647,321)</u>
NON-FINANCIAL ASSETS		
Change in prepaid expense	<u>(7,851)</u>	<u>192,493</u>
INCREASE IN NET FINANCIAL ASSETS	<u>4,937,396</u>	<u>4,549,980</u>
NET FINANCIAL ASSETS (DEBT), BEGINNING OF THE YEAR	<u>3,613,887</u>	<u>(936,093)</u>
NET FINANCIAL ASSETS, END OF THE YEAR	<u>\$ 8,551,283</u>	<u>\$ 3,613,887</u>

TL'etinqox Government
Consolidated Statement of Cash Flows
For the year ended March 31, 2022

	2022	2021
OPERATING ACTIVITIES		
Annual surplus	\$ 7,399,599	\$ 6,004,808
Items not involving cash		
Trust income	(14,661)	(4,741)
(Gain) loss on disposal of tangible capital assets	(27,316)	105,179
Amortization of tangible capital assets	<u>1,254,085</u>	<u>1,102,767</u>
	<u>8,611,707</u>	<u>7,208,013</u>
Changes in non-cash working capital items		
Accounts receivable	(453,010)	(8,297)
Inventory	(11,000)	47,934
Prepaid expenses	(7,851)	192,493
Accounts payable	(731,125)	334,489
Deferred revenue	<u>2,931,423</u>	<u>129,186</u>
	<u>1,728,437</u>	<u>695,805</u>
Cash from operations	<u>10,340,144</u>	<u>7,903,818</u>
CAPITAL ACTIVITIES		
Acquisition of tangible capital assets	(3,840,102)	(2,855,267)
Proceeds on disposal of tangible capital assets	<u>158,981</u>	<u>-</u>
	<u>(3,681,121)</u>	<u>(2,855,267)</u>
INVESTING ACTIVITIES		
Restricted cash	(3,892,945)	(1,430,147)
Advances to related parties	(402,033)	(1,351,668)
Investment in government business entities	<u>(2,076,861)</u>	<u>507,930</u>
	<u>(6,371,839)</u>	<u>(2,273,885)</u>
FINANCING ACTIVITIES		
Proceeds of long-term debt	97,279	65,235
Long-term debt repayment	<u>(215,615)</u>	<u>(219,798)</u>
	<u>(118,336)</u>	<u>(154,563)</u>
INCREASE IN CASH DURING THE YEAR	168,848	2,620,103
CASH (BANK INDEBTEDNESS), BEGINNING OF THE YEAR	<u>2,367,275</u>	<u>(252,828)</u>
CASH, END OF THE YEAR	<u>\$ 2,536,123</u>	<u>\$ 2,367,275</u>

TL'etinqox Government
Notes to Consolidated Financial Statements
For the year ended March 31, 2022

1. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles for government entities, as defined in the CPA Canada Public Sector Accounting Handbook which encompasses the following principles.

Reporting Entity and Principles of Financial Reporting

TL'etinqox Government (the "Nation") reporting entity includes TL'etinqox Government and all related entities, which are accountable to TL'etinqox Government and are either owned or controlled by the TL'etinqox Government.

Investments in Government Business Entities

Business entities which are owned or 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. These include:

- TL'etinqox Government Economic Development Corporation
- TL'etinqox Government Economic Development Corporation Limited Liability Partnership (LLP)
- Dechen Ventures Ltd.
- Chilcotin River Trading Company Ltd.
- BCFN Gaming Revenue Sharing Limited Partnership

Financial Instruments

The Nation recognizes and measures financial assets and financial liabilities on the statement of financial position when it becomes a party to the contractual provisions of a financial instrument. All transactions related to financial instruments are recorded on a trade date or settlement date basis. All financial instruments are measured at fair value on the initial recognition. Financial instruments are subsequently measured at amortized cost as the Nation has not entered into any derivative contracts and it does not hold any investments in equity instruments quoted on the active market. Since no financial instruments are measured at fair value after the initial recognition, a Statement of Remeasurement Gains and Losses has not been presented in these financial statements.

Inventory

Inventory is valued at the lower of cost and net realizable value. Cost is measured using the average weighted cost method.

Revenue Recognition

Revenue is recognized in the period in which the transactions or events occurred that gave rise to the revenue. Gains are recognized when realized. Items not practically measurable until cash is received are accounted for at that time.

Government transfers are recognized as revenue when the transfer is authorized and any eligibility criteria are met, except to the extent that transfer stipulations give rise to an obligation that meets the definition of a liability in which case are recognized as deferred revenue and recognized in the statement of operations as the stipulation liabilities are settled.

Tl'etinqox Government
Notes to Consolidated Financial Statements
For the year ended March 31, 2022

1. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES, continued

All other revenue is recognized in the period in which the events that give rise to the revenue occurs.

Funding Recoveries and Reimbursements

Funding received from federal 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 specified purpose. Recoveries and reimbursements are accounted for when they are paid or payable or received or receivable.

Ottawa Trust Fund

Tl'etinqox Government uses the accrual method of accounting for Ottawa Trust Fund revenues earned in the Fund. Trust monies are recognized in the revenue of the Nation upon withdrawal from the Ottawa Trust Fund.

Deferred Revenue

Funds which are externally restricted by legislation, regulation or agreement and are not available for general purposes are accounted for as deferred revenue on the statement of financial position. The revenue is recognized in the statement of operations in the year in which it is used for the specified purpose.

Cash

Cash and cash equivalents consist of cash on hand, bank balances and bank overdrafts with maturities of three months or less.

Impairment of Long-lived Assets

In the event that facts and circumstances indicate that the Nation's long-lived assets may be impaired, an evaluation of recoverability would be performed. Such an evaluation entails comparing the estimated future undiscounted cash flows associated with the asset to the asset's carrying amount to determine if a write-down to market value or discounted cash flow value is required. The Nation considers that no circumstances exist that would require such an evaluation.

Use of Estimates

The preparation of financial statements in accordance with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from management's best estimates as additional information becomes available in the future. Significant estimates included in these financial statements include the valuation of accounts receivable, accuracy of accounts payable, the useful life of tangible capital assets and the calculation of deferred revenue.

Tangible Capital Assets

Tangible capital assets are initially recorded at acquisition cost or cost of construction. Contributed tangible capital assets are recorded at their fair value at date of contribution.

TI'etinqox Government
Notes to Consolidated Financial Statements
For the year ended March 31, 2022

1. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES, continued

The acquisition costs of tangible capital assets and payments on capital debt, which are not funded from capital financing sources, are charged to operations and matched with the applicable revenue source in the year of expenditure.

Amortization

Tangible capital assets are amortized annually with a corresponding reduction in equity in tangible capital assets. Tangible capital assets are amortized over their expected useful lives on a declining balance basis at the following rates:

Automotive	30%
Buildings	4%
Computers and software	100%
Infrastructure	4%
Office and furnishings	20-30%

Assets under construction are not amortized until fully in use.

2. CASH

Cash is held in Canadian Chartered Banks and earns interest at the current prevailing rates for business operating accounts.

3. RESTRICTED CASH

	<u>2022</u>	<u>2021</u>
BCFN Gaming revenue sharing	\$ 1,363,955	\$ 1,063,125
Capital Funds - internally restricted	4,493,160	901,045
Ottawa Trust revenue fund	34,092	28,005
Ottawa Trust capital fund	<u>78,387</u>	<u>69,814</u>
	<u>\$ 5,969,594</u>	<u>\$ 2,061,989</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 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 Nation is permitted to use revenue for any purpose that will promote the general progress and welfare of the Nation and Nation members. The expenditures of capital funds require the consent of Indigenous Services Canada and 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.

Tl'etinqox Government
Notes to Consolidated Financial Statements
For the year ended March 31, 2022

4. ACCOUNTS RECEIVABLE

Accounts receivable by program area is summarized as follows:

	2022	2021
Account receivable - Government	\$ 1,381,772	\$ 590,198
Account receivable - Other	373,607	712,171
Accrued receivable - Wildfire	<u>501,689</u>	<u>501,689</u>
	<u>\$ 2,257,068</u>	<u>\$ 1,804,058</u>

During the summer of 2017, the community of the Tl'etinqox Government was impacted by wildfires.

As a result, the Nation recorded the following:

	2022	2021
Accrued wildfire receivables	\$ 813,504	\$ 813,504
Less allowance for doubtful accounts	<u>(311,815)</u>	<u>(311,815)</u>
Net accrued wildfire receivables	<u>\$ 501,689</u>	<u>\$ 501,689</u>

It is the Nation's policy to record management's best estimate of the amount of expenses related to the wildfire that will be recoverable. Actual amounts received could be different. On August 17, 2021, Tl'etinqox Government filed application and entered into litigation with the Government of Canada on the basis that the decision by Indigenous Services Canada to deny reimbursement of the majority of these wildfire expenditures was unreasonable. The results of these proceedings are unknown at March 31, 2022.

5. INVESTMENTS IN GOVERNMENT BUSINESS ENTITIES

The Nation has investments in the following entities:

	2022	2021
Tl'etinqox Government Economic Development LLP - 99%	\$ 2,370,205	\$ 318,121
Tl'etinqox Government Economic Development Corporation - 100%	162,386	141,658
Dechen Ventures Ltd. - 100%	11,392	4,641
Chilcotin River Trading Company Ltd. - 100%	(4,050)	(1,348)
BC Gaming LP	<u>110</u>	<u>110</u>
	<u>\$ 2,540,043</u>	<u>\$ 463,182</u>

Tl'etinqox Government
Notes to Consolidated Financial Statements
For the year ended March 31, 2022

5. INVESTMENTS IN GOVERNMENT BUSINESS ENTITIES, continued

Tl'etinqox Government Economic Development LLP

Tl'etinqox Government Economic Development LLP, a partnership between Tl'etinqox Government and Tl'etinqox Government Economic Development Corporation, is registered under the Companies Act of the Province of BC. The partnership operates equipment rental operations.

A summary of the financial results for the year then ended is presented as follows:

BALANCE SHEET
March 31, 2022

	<u>2022</u>	<u>2021</u>
ASSETS		
Current assets	\$ 1,893,952	\$ 331,324
INVESTMENT IN PARTNERSHIPS	1,588,961	1,186,100
PROPERTY AND EQUIPMENT	<u>5,033</u>	<u>257,282</u>
	<u><u>\$ 3,487,946</u></u>	<u><u>\$ 1,774,706</u></u>
LIABILITIES		
Current liabilities	\$ 163,644	\$ 99,121
LONG TERM LIABILITIES	933,118	1,357,214
PARTNERSHIP EQUITY, END OF THE YEAR	<u>2,391,184</u>	<u>318,371</u>
	<u><u>\$ 3,487,946</u></u>	<u><u>\$ 1,774,706</u></u>

Tl'etinqox Government
Notes to Consolidated Financial Statements
For the year ended March 31, 2022

5. INVESTMENTS IN GOVERNMENT BUSINESS ENTITIES, continued

Tl'etinqox Government Economic Development LLP, continued

INCOME STATEMENTS
For the Year Ended March 31, 2022

	<u>2022</u>	<u>2021</u>
REVENUE	\$ 2,135,058	\$ 712,694
EXPENSES	<u>62,246</u>	<u>387,780</u>
NET INCOME	<u>2,072,812</u>	324,914
PARTNERSHIP EQUITY (DEFICIENCY), BEGINNING OF THE YEAR	<u>317,372</u>	<u>(7,542)</u>
PARTNERSHIP EQUITY, END OF THE YEAR	<u>\$ 2,390,184</u>	<u>\$ 317,372</u>

STATEMENT OF PARTNERS' EQUITY
For the Year Ended March 31, 2022

	<u>2022</u>	<u>2021</u>
EQUITY, TL'ETINQOX GOVERNMENT		
Balance, beginning of year	\$ 317,121	\$ (7,468)
Income for the year	<u>2,052,084</u>	<u>324,589</u>
	<u>2,369,205</u>	<u>317,121</u>
EQUITY, TL'ETINQOX GOVERNMENT ECONOMIC DEVELOPMENT CORP.		
Balance, beginning of the year	251	(74)
Income for the year	<u>20,728</u>	<u>325</u>
	<u>20,979</u>	<u>251</u>
BALANCE, END OF THE YEAR	<u>\$ 2,390,184</u>	<u>\$ 317,372</u>

TL'etinqox Government
Notes to Consolidated Financial Statements
For the year ended March 31, 2022

5. INVESTMENTS IN GOVERNMENT BUSINESS ENTITIES, continued

TL'etinqox Government Economic Development Corporation

TL'etinqox Government Economic Development Corporation is a wholly owned subsidiary of TL'etinqox Government, incorporated under the Business Corporations Act of British Columbia. The company was established to act as the general partner of TL'etinqox Government Economic Development LLP.

A summary of the financial results for the year then ended is presented as follows:

	BALANCE SHEET March 31, 2022	
	2022	2021
ASSETS	\$ -	\$ -
PARTNERSHIP INTEREST	20,979	251
DUE FROM RELATED PARTY	142,857	142,857
	<u>\$ 163,836</u>	<u>\$ 143,108</u>
LIABILITIES		
Current liabilities	\$ 1,450	\$ 1,450
SHAREHOLDER'S EQUITY		
Share capital	100	100
Retained earnings	162,286	141,558
	<u>162,386</u>	<u>141,658</u>
	<u>\$ 163,836</u>	<u>\$ 143,108</u>

Tl'etinqox Government
Notes to Consolidated Financial Statements
For the year ended March 31, 2022

5. INVESTMENTS IN GOVERNMENT BUSINESS ENTITIES, continued

Tl'etinqox Government Economic Development Corporation, continued

INCOME STATEMENT
For the Year Ended March 31, 2022

	<u>2022</u>	<u>2021</u>
REVENUE	\$ 20,728	\$ 459
EXPENSES	-	-
NET INCOME	20,728	459
INCOME TAXES	-	-
NET INCOME	20,728	459
RETAINED EARNINGS, BEGINNING OF THE YEAR	141,558	141,099
RETAINED EARNINGS, END OF THE YEAR	\$ 162,286	\$ 141,558

Chilcotin River Trading Company Ltd.

Chilcotin River Trading Company Ltd. is a wholly owned subsidiary of Tl'etinqox Government, incorporated under the Business Corporations Act of British Columbia. The company was established to act as the general partner of Chilcotin River Trading Company LLP.

A summary of the financial results for the year then ended is presented as follows:

Balance Sheet
March 31, 2022

	<u>2022</u>	<u>2021</u>
ASSETS	\$ 100	\$ 102
CURRENT LIABILITY	\$ 1,450	1,450
PARTNERSHIP DEFICIENCY	2,700	-
	4,150	1,450
SHAREHOLDER'S DEFICIENCY		
Share Capital	100	100
Deficit	(4,150)	(1,448)
	(4,050)	(1,348)
	\$ 100	\$ 102

TL'etinqox Government
Notes to Consolidated Financial Statements
For the year ended March 31, 2022

5. INVESTMENTS IN GOVERNMENT BUSINESS ENTITIES, continued

Chilcotin River Trading Company Ltd., continued

Income Statement
For the Period Ended March 31, 2022

	<u>2022</u>	<u>2021</u>
LOSS (REVENUE)	\$ (2,702)	\$ 2
EXPENSES	-	1,450
NET LOSS	(2,702)	(1,448)
DEFICIT, BEGINNING OF YEAR	(1,448)	-
DEFICIT, END OF YEAR	<u>\$ (4,150)</u>	<u>\$ (1,448)</u>

Dechen Ventures Ltd.

Dechen Ventures Ltd. is a wholly owned subsidiary of TL'etinqox Government, incorporated under the Business Corporations Act of British Columbia. The company was established to act as the general partner of Dechen Ventures Limited Liability Partnership.

A summary of the financial results for the year then ended is presented as follows:

	Balance Sheet March 31, 2022	
	<u>2022</u>	<u>2021</u>
CURRENT ASSET	\$ -	\$ -
INVESTMENT IN PARTNERSHIP	13,092	6,341
DUE FROM RELATED PARTY	100	100
	<u>\$ 13,192</u>	<u>\$ 6,441</u>
CURRENT LIABILITY	\$ 1,800	\$ 1,800
SHAREHOLDER'S EQUITY		
Share Capital	100	100
Retained Earnings	11,292	4,541
	<u>11,392</u>	<u>4,641</u>
	<u>\$ 13,192</u>	<u>\$ 6,441</u>

Tl'etinqox Government
Notes to Consolidated Financial Statements
For the year ended March 31, 2022

5. INVESTMENTS IN GOVERNMENT BUSINESS ENTITIES, continued

Dechen Ventures Ltd., continued

Income Statement
For the Year Ended March 31, 2022

	<u>2022</u>	<u>2021</u>
REVENUE	\$ 6,751	\$ 373
EXPENSES	-	356
NET INCOME	6,751	17
INCOME TAXES	-	-
NET INCOME	6,751	17
RETAINED EARNINGS, BEGINNING OF YEAR	<u>4,541</u>	<u>4,524</u>
RETAINED EARNINGS, END OF YEAR	<u>\$ 11,292</u>	<u>\$ 4,541</u>

BCFN Gaming Revenue Sharing Limited Partnership

A summary of the financial results for the year then ended is presented as follows:

	<u>2022</u>	<u>2021</u>
PARTNERSHIP INTEREST		
Partnership units	\$ 110	\$ 110
Partnership equity	-	-
	<u>110</u>	<u>110</u>
	<u>\$ 110</u>	<u>\$ 110</u>

Tl'etinqox Government
Notes to Consolidated Financial Statements
For the year ended March 31, 2022

6. DUE FROM (TO) RELATED PARTIES

	2022	2021
Dechen Ventures Limited Partnership	\$ 190,936	\$ 125,308
Dechen Ventures Ltd.	(100)	(100)
Chilcotin River Trading Company Ltd.	(100)	(100)
Chilcotin River Trading Company LLP	547,997	444,397
Tl'etinqox Government Economic Development Corp.	(100)	(100)
Tl'etinqox Government Economic Development LLP	979,620	976,416
Guzun Ch'ah	<u>229,601</u>	-
	<u><u>\$ 1,947,854</u></u>	<u><u>\$ 1,545,821</u></u>

7. ACCOUNTS PAYABLE

	2022	2021
Operating	\$ 907,020	\$ 1,606,350
Funding recoverable	96,046	96,046
Government remittances payable	<u>49,176</u>	<u>80,972</u>
	<u><u>\$ 1,052,242</u></u>	<u><u>\$ 1,783,368</u></u>

8. DEFERRED REVENUE

	2021	Additions	Releases	2022
Indigenous Services Canada	\$ 944,294	\$ 4,263,543	\$ (944,294)	\$ 4,263,543
Province of British Columbia	<u>567,338</u>	<u>179,512</u>	<u>(567,338)</u>	<u>179,512</u>
	<u><u>\$ 1,511,632</u></u>	<u><u>\$ 4,443,055</u></u>	<u><u>\$ (1,511,632)</u></u>	<u><u>\$ 4,443,055</u></u>

Revenue Reconciliation

	2022	2021
Indigenous Services Canada		
Revenue per Funding Agreement	\$ 11,655,605	\$ 11,100,791
Applied to receivable – fencing	(99,966)	-
Applied to receivable – dam repairs	(45,247)	-
Deferred previous year	944,294	1,312,446
Deferred current year	<u>(4,263,543)</u>	<u>(944,294)</u>
	<u><u>\$ 8,191,143</u></u>	<u><u>\$ 11,468,943</u></u>

Province of British Columbia

Revenue per Funding Agreement	\$ 2,725,676	\$ 1,893,400
Deferred Previous Year	567,338	70,000
Deferred Current Year	<u>(179,512)</u>	<u>(567,338)</u>
	<u><u>\$ 3,113,502</u></u>	<u><u>\$ 1,396,062</u></u>

TI'etinqox Government
Notes to Consolidated Financial Statements
For the year ended March 31, 2022

9. LONG-TERM DEBT

	<u>2022</u>	<u>2021</u>
Mortgage term loan, Bank of Montreal, repayable in monthly instalments of \$2,566, including interest at 3.95% per annum, secured by a Government of Canada ministerial guarantee, maturing November 11, 2026	\$ 228,788	\$ 250,794
Mortgage term loan, Peace Hills, repayable in monthly instalments of \$3,575, including interest at 4.25% per annum, secured by a Government of Canada ministerial guarantee, maturing December 2024	111,546	149,036
Demand loan, Bank of Montreal repayable in monthly instalments of \$2,451, including interest at prime plus 0.5% per annum (3.20% March 31, 2022) secured by a general security agreement	167,784	191,830
Fixed term loan, Bank of Montreal, repayable in monthly installments of \$4,182, including interest at 3.20% per annum, secured by a general security agreement, maturing February 28, 2027	557,299	589,784
Inland Kenworth, loan repayable in monthly installments of \$4,309, including interest at 5.69% per annum, secured by specific equipment	21,207	70,211
Ford Credit, non-interest-bearing loan repayable in bi-weekly installments of \$438, maturing June 22, 2022	2,625	14,003
Ford Credit, non-interest-bearing loan repayable in bi-weekly installments of \$637, maturing June 22, 2022	3,822	20,383
Ford Credit, conditional sales contract repayable in monthly installments of \$1,256 including interest at 5.84% per annum, maturing March 2025	41,314	53,618
Ford Credit, conditional sales contract repayable in monthly installments of \$1,878 including interest at 5.93% per annum, maturing January 2027	94,467	-
First Truck Centre Vancouver, loan repayable in monthly installments of \$1,278, including interest at 5.9% per annum, secured by specific equipment	-	7,529
Less loan on demand	1,228,852	1,347,188
Less current portion	<u>167,784</u>	<u>191,830</u>
	<u>148,139</u>	<u>221,745</u>
	<u><u>\$ 912,929</u></u>	<u><u>\$ 933,613</u></u>

TI'etinqox Government
Notes to Consolidated Financial Statements
For the year ended March 31, 2022

9. LONG-TERM DEBT, continued

Under the terms of the Bank of Montreal loan agreements, compliance is required with certain financial covenants.

Anticipated annual principal repayments over the next five years and thereafter are as follows:

2023	\$ 172,571
2024	151,982
2025	158,127
2026	111,804
2027 and thereafter	<u>634,368</u>
	 <u>\$ 1,228,852</u>

10. TANGIBLE CAPITAL ASSETS

	2022		2021	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Automotive equipment	\$ 1,195,358	\$ 923,015	\$ 1,787,491	\$ 1,408,565
Buildings	20,962,424	7,485,298	18,801,159	6,958,132
Computers and software	84,441	59,143	77,315	50,082
Infrastructure	14,230,203	5,318,338	13,501,351	4,851,817
Office and furnishings	1,926,551	922,908	1,145,220	751,767
Assets under construction	<u>847,435</u>	<u>-</u>	<u>791,185</u>	<u>-</u>
	<u>\$ 39,246,412</u>	<u>14,708,702</u>	<u>\$ 36,103,721</u>	<u>14,020,363</u>
Net book value		<u>\$ 24,537,710</u>		<u>\$ 22,083,358</u>

TI'etinqox Government
Notes to Consolidated Financial Statements
For the year ended March 31, 2022

10. TANGIBLE CAPITAL ASSETS, continued

						2022
	Automotive	Buildings	Computer and software	Office and Infrastructure Furnishings	Assets Under Construction	Total
Cost						
Opening balance	\$ 1,787,491	\$ 18,801,159	\$ 77,315	\$ 13,501,351	\$ 1,145,220	\$ 791,185
Additions	105,278	2,161,265	7,126	728,852	781,331	56,250
Disposals	(697,411)	-	-	-	-	-
Closing balance	1,195,358	20,962,424	84,441	14,230,203	1,926,551	847,435
Accumulated amortization						
Opening balance	1,408,565	6,958,132	50,082	4,851,817	751,767	-
Amortization	80,196	527,166	9,061	466,521	171,141	-
Disposals	(565,746)	-	-	-	-	-
Closing balance	923,015	7,485,298	59,143	5,318,338	922,908	14,708,702
Net book value	\$ 272,343	\$13,477,126	\$ 25,298	\$ 8,911,865	\$ 1,003,643	\$ 847,435
						2021
	Automotive	Buildings	Computer and software	Office and Infrastructure Furnishings	Assets Under Construction	Total
Cost						
Opening balance	\$ 1,599,878	\$ 19,039,945	\$ 77,315	\$ 11,153,759	\$ 1,146,830	\$ 652,809
Additions	187,613	-	-	2,347,592	181,686	138,376
Disposals	-	(238,786)	-	-	(183,296)	-
Closing balance	1,787,491	18,801,159	77,315	13,501,351	1,145,220	791,185
Accumulated amortization						
Opening balance	1,290,040	6,612,610	38,411	4,478,602	814,836	-
Amortization	118,525	493,459	11,671	373,215	105,897	-
Disposals	-	(147,937)	-	-	(168,966)	-
Closing balance	1,408,565	6,958,132	50,082	4,851,817	751,767	14,020,363
Net book value	\$ 378,926	\$11,843,027	\$ 27,233	\$ 8,649,534	\$ 393,453	\$ 791,185

Tl'etinqox Government
Notes to Consolidated Financial Statements
For the year ended March 31, 2022

11. ACCUMULATED SURPLUS

	<u>2022</u>	<u>2021</u>
Operating	\$ 9,844,784	\$ 5,214,933
Equity in Tangible Capital Assets	<u>23,246,577</u>	<u>20,491,490</u>
Equity in Government Trust	<u>112,480</u>	<u>97,819</u>
	<u><u>\$ 33,203,841</u></u>	<u><u>\$ 25,804,242</u></u>

12. COMMITMENTS

Tl'etinqox Government is required to make the following future minimum lease payments on operating lease obligations over the next five years:

2023	\$ 16,784
2024	10,714
2025	6,443
2026	5,696
2027	<u>474</u>
	<u><u>\$ 40,111</u></u>

13. EMPLOYEE BENEFITS

The Nation has a defined contribution plan providing pension benefits to eligible employees. Contributions paid by the Nation during the year were \$46,053 (2022 - \$9,094).

Tl'etinqox Government
Notes to Consolidated Financial Statements
For the year ended March 31, 2022

14. EXPENSE BY OBJECT

	<u>2022</u> Budget	<u>2022</u>	<u>2021</u>
Activities	\$ 150,000	\$ 42,824	\$ 1,130
Advertising	2,000	147	3,363
Allowances	548,921	462,569	558,373
Amortization	10,000	1,254,085	1,207,946
Bad debts	-	14,796	95,979
Band member assistance	81,400	176,140	10,950
Bank charges	5,000	20,930	17,395
Capital purchases	624,300	-	-
Catering	238,679	51,991	124,889
Computer maintenance	90,500	91,346	104,184
Consulting fees	681,358	362,261	737,583
Contingency - capital	410,604	-	-
Contracts	3,558,812	(61,633)	1,473,803
Cost of goods sold - gas bar	-	-	1,703,466
Curriculum development	33,765	5,767	30,110
Disbursements	200,000	87,152	-
Donations	20,500	26,176	79,677
Equipment maintenance	5,000	-	-
Equipment rental	108,550	160,186	98,924
Facility rental	156,901	156,876	155,403
Fees and dues	22,700	4,843	16,569
Freight	7,250	3,241	2,759
Fuel	118,250	83,144	65,389
Honoraria	228,800	219,850	205,065
Horse care	25,000	8,432	16,609
Incentives	23,675	5,916	3,633
Income assistance	1,228,441	1,154,662	1,430,303
Insurance	171,693	202,012	189,276
Interest on long-term debt	58,900	43,809	82,199
Patient travel	116,355	106,004	94,403
Postage	2,400	2,994	2,589
Principal repayment	207,654	-	-
Professional fees	290,000	378,818	368,103
Property taxes	600	-	571
Reimbursement (recovery)	(470,537)	(63,529)	(68,278)
Repair and maintenance	302,965	180,430	161,129
Room and board	65,000	89,139	66,513
Security	35,000	32,500	30,000
Supplies	783,695	488,431	622,592
Telephone	95,460	119,410	91,544
Travel and accommodation	214,050	98,238	83,327
Tuition	259,296	256,301	270,822
Utilities	184,500	182,835	207,764
Wages and benefits	4,675,072	3,924,822	3,783,263
Workshops and training	<u>176,808</u>	<u>50,107</u>	<u>22,069</u>
	<u><u>\$ 15,749,317</u></u>	<u><u>\$ 10,424,022</u></u>	<u><u>\$ 14,151,388</u></u>

TI'etinqox Government
Notes to Consolidated Financial Statements
For the year ended March 31, 2022

15. ECONOMIC DEPENDENCE

The Nation receives a major portion of its revenues pursuant to a funding arrangement with Indigenous Services Canada, 56% (2022 - 55%) and First Nations Health Authority, 10% (2022 - 10%) for the year ended March 31, 2022.

16. SEGMENT DISCLOSURE

TI'etinqox Government is a diversified First Nation 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:

Administration

This service area relates to the revenues and expenses associated with the operations of TI'etinqox Government itself and cannot be directly attributed to a specific segment.

Education

This service area relates to educational services provided through the operations of an on-reserve school, post-secondary education support and the operations of various other educational programs.

Social Development

This service area provides services to Members by providing a variety of programs, community services and assistance.

Health and Wellness

This service area provides for health and wellness-related services and programs to the Members.

Own Source

This segment represents revenue and expenses from non-funded band activities and investments in government business entities

TI'etinqox Gas Bar

This service area represents a community owned gas and grocery retail facility; in February 2022, this facility was demolished and replaced with a new facility owned and operated by Chilcotin River Trading Company LLP.

Emergency Management

This service area represents results from ongoing operations of TI'etinqox Government Emergency Management Services.

Forest Resource Opportunities

This service area accounts for benefits obtained from the natural resource sector.

Housing

This service area provides for housing to Members.

Operations and Maintenance

This service area provides services required for the development and maintenance of TI'etinqox Government's assets, infrastructure, and common property.

Capital

This service area represents the results of ongoing capital projects. Capital contributions are net of capital expenditures for financial statement purposes.

TL'etinqox Government
Notes to Consolidated Financial Statements
For the year ended March 31, 2022

16. SEGMENT DISCLOSURE, continued

2022

	Administration	Education	Social Development	Health and Wellness	Own Source	Gas Bar	Emergency Management	Forest Resource Opportunities	Housing	Operations and Maintenance	Capital	Total
Revenue												
Indigenous Services Canada	\$ 959,675	\$ 3,254,475	\$ 2,505,847	\$ -	\$ -	\$ -	\$ 462,742	\$ -	\$ 114,281	\$ 1,256,085	\$ 3,102,500	\$ 11,655,605
Change in deferred revenue	-	-	(680,000)	-	-	-	14,722	-	-	(342,190)	(1,889,656)	(2,897,124)
	959,675	3,254,475	1,825,847				477,464		114,281	913,895	1,212,844	8,758,481
First Nations Health Authority	-	-	-	2,036,112	-	-	-	-	-	-	-	2,036,112
Other												
Equity earnings	454,735	653,093	464,182	812,502	721,055	-	-	561,638	197,831	9,880	1,776,073	5,650,989
Change in deferred revenue	-	-	-	-	2,076,861	-	-	-	-	-	-	2,076,861
	454,735	653,093	464,182	812,502	2,797,916			561,638	197,831	9,880	1,596,561	7,548,338
Eliminated on consolidation	(319,410)	-	-	(200,000)	-	-	-	-	-	-	-	(519,410)
	1,095,000	3,907,568	2,290,029	2,648,714	2,797,916		477,464	561,638	312,112	923,775	2,809,405	17,823,621
Expenses												
Wages and benefits	667,240	1,173,613	614,192	857,864	112,169	-	32,760	-	54,206	372,473	40,305	3,924,822
Travel	31,514	13,553	15,148	143,243	-	-	-	-	(116)	900	-	204,242
Other	773,879	2,277,694	1,439,953	728,225	207,805	-	322,992	551,136	317,035	156,479	39,170	6,814,368
	1,472,633	3,464,860	2,069,293	1,729,332	319,974		355,752	551,136	371,125	529,852	79,475	10,943,432
Eliminated on consolidation	(5,971)	(118,867)	(51,728)	(113,285)	(6,000)		(227,206)				(3,647)	(519,410)
	1,466,662	3,345,993	2,017,565	1,616,047	313,974		355,752	323,930	371,125	529,852	83,122	10,424,022
Operating surplus (deficit)	\$ (371,662)	\$ 561,575	\$ 272,464	\$ 1,032,667	\$ 2,483,942		\$ 121,712	\$ 237,708	\$ (59,013)	\$ 393,923	\$ 2,726,283	\$ 7,399,599

TL'etinqox Government
Notes to Consolidated Financial Statements
For the year ended March 31, 2022

16. SEGMENT DISCLOSURE, continued

2021

	Administration	Education	Social Development	Health and Wellness	Own Source	Gas Bar	Emergency Management	Forest Resource Opportunities	Housing	Operations and Maintenance	Capital	Total
Revenue												
Indigenous Services Canada	\$ 935,148	\$ 3,103,716	\$ 2,403,457	\$ -	\$ -	\$ -	\$ 516,596	\$ -	\$ 112,040	\$ 677,525	\$ 3,352,309	\$ 11,100,791
Change in deferred revenue	-	-	-	-	-	-	142,243	-	31,927	-	193,982	368,152
	935,148	3,103,716	2,403,457				658,839		143,967	677,525	3,546,291	11,468,943
First Nations Health Authority				2,017,175			19,744					2,036,919
Other Equity earnings	700,815	687,045	504,498	505,425	894,139	2,094,671	75,084	544,138	365,428	17,135	1,215,124	7,603,502
Change in deferred revenue	-	-	-	-	301,574	-	-	-	-	-	-	301,574
	700,815	687,045	574,498	505,425	1,195,713	2,094,671	75,084	544,138	365,428	17,135	647,786	7,407,738
Eliminated on consolidation	1,635,963	3,790,761	2,977,955	2,522,600	1,195,713	2,094,671	753,667	544,138	509,395	694,660	4,194,077	20,913,600
	(507,098)			(200,000)								(707,098)
	1,128,865	3,790,761	2,977,955	2,322,600	1,195,713	2,094,671	753,667	544,138	509,395	694,660	4,194,077	20,206,502
Expenses												
Wages and benefits	548,169	1,087,224	449,447	785,872	76,321	247,163	90,997	-	35,329	391,039	35,701	3,783,262
Travel	18,689	25,275	436	127,419	1,252	964	120	844	1,121	55	1,556	177,731
Other	775,563	1,547,582	1,686,782	700,994	139,316	1,792,667	379,029	308,760	325,829	130,169	3,161,108	10,947,799
	1,378,421	2,660,081	2,136,665	1,614,285	216,889	2,040,794	470,146	309,604	362,279	521,263	3,198,365	14,908,792
Eliminated on consolidation	(14,159)	(126,806)	(43,091)	(112,050)	(7,180)	(18,000)	(37,683)	(227,207)			(120,922)	(707,098)
	1,364,262	2,533,275	2,093,574	1,502,235	209,709	2,022,794	432,463	82,397	362,279	521,263	3,077,443	14,201,694
Operating surplus (deficit)	\$ (235,397)	\$ 1,257,486	\$ 884,381	\$ 820,365	\$ 986,004	\$ 71,877	\$ 321,204	\$ 461,741	\$ 147,116	\$ 173,397	\$ 1,116,634	\$ 6,004,808

TI'etinqox Government
Notes to Consolidated Financial Statements
For the year ended March 31, 2022

17. BUDGET FIGURES

Budget figures have been provided for comparison purposes and were derived from estimates approved by the TI'etinqox Government Band Council Resolution dated January 17, 2022.

18. COVID-19

The Coronavirus (COVID-19) outbreak was declared a pandemic by the World Health Organization and has had a significant global financial and economic impact. For the reporting date March 31, 2022, COVID-19 is considered by management as a non-adjusting event. Consequently, there is no impact on the recognition and measurement of assets and liabilities. The Nation understands this health and economic crisis presents uncertainty over future cash flows and for future periods this may cause significant changes to the assets and liabilities and may have a significant impact on future operations. An estimate of the financial effect is not practical at this time.

19. COMPARATIVE FIGURES

Comparative figures included in these financial statements have been restated to conform with the current year presentation.