

XENI GWET'IN FIRST NATIONS GOVERNMENT

CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2023

XENI GWET'IN FIRST NATIONS GOVERNMENT

ANNUAL FINANCIAL REPORT

MARCH 31, 2023

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TSILHQOT'IN PEOPLE OF XENI



Xeni Gwet'in First Nations Government

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MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The accompanying consolidated financial statements of the Xeni Gwet'in First Nations Government are the responsibility of management and have been approved by the First Nations Government.

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 First Nations 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 First Nations Government's assets are appropriately accounted for and adequately safeguarded.

The Chief and Council are responsible for ensuring that management fulfills its responsibilities for financial reporting and is ultimately responsible for reviewing and approving the consolidated financial statements.

The Chief and Council reviews the consolidated financial statements and recommends their approval. The Chief and Council meet periodically with management, as well as the external auditors, to discuss internal controls over the financial reporting process, auditing matters and 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 auditor's report. The Chief and Council takes this information into consideration when approving the consolidated financial statements for issuance to the Members. The Council also considers, for the approval of the Members, the engagement of the external auditors.

The consolidated financial statements have been audited by Tombe Herrington Chartered Professional Accountants LLP in accordance with Canadian generally accepted auditing standards on behalf of the Members. Tombe Herrington Chartered Professional Accountants LLP have full and free access to the Council of the First Nations Government.

Chief

Councillor

INDEPENDENT AUDITOR'S REPORT

To the Council and Members of Xeni Gwet'in First Nations Government

Qualified Opinion

We have audited the consolidated financial statements of Xeni Gwet'in First Nations Government (the "Government"), which comprise the consolidated statement of financial position as at March 31, 2023, 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, except for the effects of the matter described in the *"Basis for Qualified Opinion"* section of our report, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Government as at March 31, 2023 and its results of operations, change in net financial assets and cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Qualified Opinion

As noted in Note 1 - Significant Accounting Policies regarding tangible capital assets, the Social Housing tangible capital assets are required by Canada Mortgage and Housing Corporation to be amortized at a rate equivalent to the annual principal reduction of the related long-term debt. This amortization policy is not in accordance with Canadian public sector accounting standards, which require that tangible capital assets be amortized over their estimated useful lives. The effect of this departure has not been determined on the net book value of tangible capital assets, the related amortization expense, annual surplus and equity in tangible capital assets.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *"Auditor's Responsibilities for the Audit of the Consolidated Financial Statements"* section of our report. We are independent of the Government in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

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 Government'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 Government or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Government'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 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 Government's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosure 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 Government'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 Government 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.
- 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.

Tombe Herrington Chartered Professional Accountants LLP

Chartered Professional Accountants

Kamloops, British Columbia
July 27, 2023

XENI GWET'IN FIRST NATIONS GOVERNMENT
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2023


	2023	2022
FINANCIAL ASSETS		
Cash	\$ 9,135,965	\$ 5,394,010
Short-term investments (Note 3)	217,654	216,571
Restricted cash (Note 4)	268,626	241,564
Accounts receivable (Note 5)	1,021,572	2,045,851
Long-term investments (Note 6)	1,103	1,103
	<u>10,644,920</u>	<u>7,899,099</u>
LIABILITIES		
Accounts payable and accrued liabilities	758,345	1,208,166
Damage deposits payable	3,975	3,600
Deferred revenue (Note 7)	105,577	2,092,308
Long-term debt (Note 8)	783,823	893,209
Obligations under capital lease (Note 9)	452,254	677,998
Replacement reserve (Note 10)	99,540	95,715
Operating reserve (Note 11)	36,466	29,502
	<u>2,239,980</u>	<u>5,000,498</u>
NET FINANCIAL ASSETS	<u>8,404,940</u>	<u>2,898,601</u>
NON-FINANCIAL ASSETS		
Inventory	55,827	61,161
Prepaid expenses	113,559	1,099,679
Tangible capital assets (Note 12)	21,523,887	16,544,748
	<u>21,693,273</u>	<u>17,705,588</u>
ACCUMULATED SURPLUS (Note 13)	<u>\$ 30,098,213</u>	<u>\$ 20,604,189</u>

ECONOMIC DEPENDENCE (Note 2)
CONTINGENT LIABILITIES (Note 14)

APPROVED ON BEHALF OF THE MEMBERS:



Chief



Councilor

See accompanying notes to consolidated financial statements

XENI GWET'IN FIRST NATIONS GOVERNMENT
CONSOLIDATED STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS
FOR THE YEAR ENDED MARCH 31, 2023

	2023 Budget	2023 Actual	2022 Actual
REVENUES			
Indigenous Services Canada	\$ -	\$ 5,490,044	\$ 3,224,684
CMHC	-	61,622	57,846
Social housing	-	87,427	86,400
Xeni Gwet'in Enterprises	-	1,755,351	2,947,621
Eniyud Health Services	-	2,303,837	1,986,648
Other revenues	-	12,054,656	5,876,081
Gain on disposal of tangible capital assets	-	-	24,576
	-	21,752,937	14,203,856
EXPENSES (Note 16)			
Economic development	-	2,473,717	2,035,168
Education	-	434,886	371,462
Social development	-	534,016	609,659
Capital facilities and community	-	579,223	676,239
Social housing	-	149,049	144,246
Xeni Gwet'in Enterprises	-	2,698,301	3,459,580
Eniyud Health Services	-	2,044,591	1,636,085
Band support	-	3,350,173	3,698,584
	-	12,263,956	12,631,023
ANNUAL SURPLUS	-	9,488,981	1,572,833
ACCUMULATED SURPLUS, beginning of year	-	20,604,189	19,027,896
INTEREST EARNED ON OTTAWA TRUST FUNDS	-	5,043	3,460
ACCUMULATED SURPLUS, end of year	\$ -	\$ 30,098,213	\$ 20,604,189

See accompanying notes to consolidated financial statements

XENI GWET'IN FIRST NATIONS GOVERNMENT
CONSOLIDATED STATEMENT OF CHANGES IN NET FINANCIAL ASSETS
FOR THE YEAR ENDED MARCH 31, 2023

	2023 Budget	2023 Actual	2022 Actual
ANNUAL SURPLUS	\$ -	\$ 9,488,981	\$ 1,572,833
Purchases of tangible capital assets	-	(6,538,650)	(5,192,789)
Disposal of tangible capital assets	-	-	11,594
Amortization of tangible capital assets	-	1,559,511	1,279,235
Interest earned on Ottawa Trust funds	-	5,043	3,460
Consumption (acquisition) of inventory	-	5,334	(23,076)
Use of prepaid expenses	-	986,120	552,886
INCREASE (DECREASE) IN NET FINANCIAL ASSETS	-	5,506,339	(1,795,857)
NET FINANCIAL ASSETS, beginning of year	-	2,898,601	4,694,458
NET FINANCIAL ASSETS, end of year	\$ -	\$ 8,404,940	\$ 2,898,601

See accompanying notes to consolidated financial statements

XENI GWET'IN FIRST NATIONS GOVERNMENT
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED MARCH 31, 2023

	2023	2022
OPERATING ACTIVITIES		
Excess of revenue over expenses	\$ 9,488,981	\$ 1,572,833
Adjustment for items not involving cash:		
Amortization of tangible capital assets	1,559,511	1,279,235
Gain on disposal of tangible capital assets	-	(24,576)
Increase (decrease) in replacement reserve and operating reserves	10,789	16,780
Net change in non-cash working capital	(442,463)	106,840
Cash flows from operating activities	10,616,818	2,951,112
FINANCING ACTIVITIES		
Repayments of long-term debt	(109,386)	(110,137)
Repayments of obligation under capital lease	(225,744)	(198,232)
Cash flows from financing activities	(335,130)	(308,369)
INVESTING ACTIVITY		
Purchase of short-term investments	(1,083)	(216)
CAPITAL ACTIVITIES		
Purchase of tangible capital assets	(6,538,650)	(4,730,539)
Proceeds on disposal of tangible capital assets	-	11,170
Cash flows from capital activities	(6,538,650)	(4,719,369)
INCREASE (DECREASE) IN CASH	3,741,955	(2,076,842)
Cash, beginning of year	5,394,010	7,470,852
Cash, end of year	\$ 9,135,965	\$ 5,394,010
Cash paid during the year for interest	\$ 40,334	\$ 38,277

See accompanying notes to consolidated financial statements

XENI GWET'IN FIRST NATIONS GOVERNMENT
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2023

1. SIGNIFICANT ACCOUNTING POLICIES

These consolidated financial statements of the Xení Gwet'in First Nations Government have been prepared in accordance with Canadian public sector accounting standards for local governments, as recommended by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada, which encompass the following principles:

a) Reporting Entity and Principles of Financial Reporting

The reporting entity includes the Xení Gwet'in First Nations Government and all entities that are controlled by the First Nations Government. All controlled entities are consolidated in the Xení Gwet'in First Nations Government's consolidated financial statements according to the First Nations Government's percentage ownership. Accounting policies of consolidated entities are conformed to those of the First Nations Government and inter-organizational balances and transactions are eliminated upon consolidation.

The consolidated financial statements consolidate the assets, liabilities, and results of operations for the following entity:

- 1224366 B.C. Ltd.

Investments in non-controlled entities and not subject to significant influence are recorded at the lower of cost and net realizable value. These include Xení Gwet'in First Nations Government investments in Cariboo Indian Enterprises Ltd., Tsilhqot'in Economic Development Corp., Tsilhqot'in Forest Products Inc., Tsilhqot'in Economic Advancement GP Ltd. and Dandzen Development Limited Partnership.

b) Revenue Recognition

Government grants and transfers, which include Federal funding agreements, are recognized in the consolidated financial statements in the period in which events giving rise to the transfers occur, provided the transfers are authorized, any eligibility criteria have been met and reasonable estimates of the amount can be made. When eligibility criteria is not met, transfers received are reflected as deferred revenue in the year of receipt and classified as such on the Consolidated Statement of Financial Position.

Rental revenue is recognized when a tenant commences occupancy and rent is due. The First Nations Government retains all benefits and risks of ownership of its property and, therefore, accounts for leases with its tenants as operating leases.

Periodic revenue is recognized on an accrual basis commencing at the beginning of the month.

c) Ottawa Trust Monies

Ottawa Trust monies are recorded using the accrual method of accounting for revenue earned in the Trust fund.

d) Inventory

Inventory is recorded at the lower of cost and net realizable value. Cost is determined using the first-in, first-out method.

XENI GWET'IN FIRST NATIONS GOVERNMENT
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2023

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

e) Tangible Capital Assets

Tangible capital assets, including property and infrastructure expenditures incurred after April 1, 1990, are initially recorded at acquisition cost. Expenditures incurred previous to April 1, 1990 are reflected at a nominal amount. Tangible capital assets are stated at cost less accumulated amortization. Costs include amounts that are directly attributable to acquisition, construction, development or betterment of the asset. The cost, less residual value, if any, of the tangible capital assets are amortized over their estimated useful lives using the straight-line method at the following rates:

Office furniture and equipment	30%
Buildings	4%
Mobile home	4%
Band houses	4%
Infrastructure	4%
Other equipment	20%
Excavating equipment	30%
Automotive equipment	30%

Social Housing assets acquired under Canada Mortgage and Housing Corporation (CMHC) subsidized housing programs are amortized at a rate equivalent to the annual principal reduction in the related long-term debt, as required for CMHC reporting purposes.

f) Leased Assets

A lease that transfers substantially all of the benefits and risks of ownership to the lessee is recorded as a tangible capital asset and the incurrence of a capital lease obligation. At inception, a tangible capital asset and an obligation are recorded at an amount equal to the lesser of the present value of the minimum lease payments, excluding executory costs, and the leased property's fair value at the beginning of the lease. The discount rate used to determine the present value of the lease payments is the lower of Xeni Gwet'in First Nations Government's rate for incremental borrowing or the interest rate implicit in the lease. Leased tangible capital assets are amortized in a manner consistent with the tangible capital assets owned by Xeni Gwet'in First Nations Government, and the obligation, including interest thereon, is liquidated over the term of the lease. All other leases are accounted for as operating leases, and the rental costs are expensed as incurred.

g) Use of Estimates

The preparation of consolidated financial statements in accordance with Canadian public sector accounting standards requires management to make assumptions and estimates that have an effect on the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenue and expenses during the year. Actual results could be different from those estimates.

2. ECONOMIC DEPENDENCE

A significant portion of the First Nation's revenue is comprised of funding received from Indigenous Services Canada ("ISC") and other government departments.

3. SHORT-TERM INVESTMENTS

Short-term investments are comprised of a guaranteed investment certificate with a maturity date in excess of 90 days from the issuance date. This investment bears interest at 1.75% and has a maturity date in January 2024. The carrying value of this investment approximates its fair value.

XENI GWET'IN FIRST NATIONS GOVERNMENT
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2023

4. RESTRICTED CASH

	2023	2022
Social Housing replacement reserve - cash	\$ 99,540	\$ 77,894
Social Housing operating reserve - cash	33,139	32,766
Ottawa Trust Monies - cash	135,947	130,904
	<u>\$ 268,626</u>	<u>\$ 241,564</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 Xeni Gwet'in First Nations Government is permitted to use its revenue for any purpose that will promote the general progress and welfare of the Band and Band members. The expenditures of the capital funds requires the consent of Indigenous Services Canada 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.

The Social Housing restricted cash is derived under the terms of the agreement with CMHC, the account is to be credited annually. These funds, along with accumulated interest, must be held in a separate bank account and/or invested only in accounts or instruments insured by the Canada Deposit Insurance Corporation.

5. ACCOUNTS RECEIVABLE

	2023	2022
Chief, councilors and band members	\$ 1,235	\$ 2,801
Indigenous Services Canada	86,541	391,914
Band Housing rents receivable	1,100	-
CCATEC	11,300	11,300
CMHC	5,189	4,868
Dawson Road Maintenance Ltd.	175,090	118,407
Department of Natural Resources	97,933	-
GST rebate	85,353	121,217
Ministry of Children and Family Development	50,000	80,000
Natural Resources Canada	-	616,220
Other	120,955	559,823
Social Housing rents receivable	8,047	7,505
Tsilhqot'in National Government	414,394	148,349
	<u>1,057,137</u>	<u>2,062,404</u>
Less: allowance for doubtful accounts	<u>(35,565)</u>	<u>(16,553)</u>
	<u>\$ 1,021,572</u>	<u>\$ 2,045,851</u>

XENI GWET'IN FIRST NATIONS GOVERNMENT
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2023

6. LONG TERM INVESTMENTS

	2023	2022
Cariboo Indian Enterprises Ltd. - shares, at cost (inactive)	\$ 1	\$ 1
Tsilhqot'in Economic Development Corp. - shares, at cost (inactive)	1	1
Tsilhqot'in Forest Products Inc. - shares, at cost (inactive)	1	1
Tsilhqot'in Economic Advancement GP Ltd. - shares, at cost	1,000	1,000
Dandzen Development Limited Partnership - partnership interest, at cost	100	100
	<u>\$ 1,103</u>	<u>\$ 1,103</u>

7. DEFERRED REVENUE

	2023	2022
Indigenous Services Canada		
Waste Diversion (ICMS #9-00128113)	\$ 105,577	\$ 105,577
Canada Mortgage and Housing Corporation	-	1,984,987
1224366 B.C. Ltd.	-	1,744
	<u>\$ 105,577</u>	<u>\$ 2,092,308</u>

8. LONG TERM DEBT

	2023	2022
All Nations Trust Company mortgage, repayable in monthly instalments of \$4,055 including interest at 3.04% per annum, renewal date June 2027	\$ 386,098	\$ 423,352
All Nations Trust Company mortgage, repayable in monthly instalments of \$2,694 including interest at 1.88% per annum, renewal date February 2027	265,207	292,286
Royal Bank of Canada loan, repayable in monthly instalments of \$4,923 including interest at 2.59%, secured by specific equipment with a net book value of \$189,210, due January 2026	132,518	177,571
	<u>\$ 783,823</u>	<u>\$ 893,209</u>

The Social Housing mortgages are secured by a ministerial guarantee from the federal government.

XENI GWET'IN FIRST NATIONS GOVERNMENT
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2023

7. LONG TERM DEBT (Continued)

The principal portion of debt due over the next five years are as follows:

2024	\$ 111,300
2025	114,250
2026	107,320
2027	221,925
2028	<u>229,028</u>
	<u>\$ 783,823</u>

9. OBLIGATIONS UNDER CAPITAL LEASE

	2023	2022
Royal Bank of Canada capital lease, repayable in monthly instalments of \$12,014 including interest at 3.96%, secured by specific equipment with a net book value of \$0 (2022 - \$65,300), due June 2024	\$ 175,546	\$ 309,867
Royal Bank of Canada capital lease, repayable in monthly instalments of \$6,403 including interest at 2.92%, secured by specific equipment with at net book value of \$119,600 (2022 - \$209,300), due June 2026	183,264	240,874
Royal Bank of Canada capital lease, repayable in monthly instalments of \$3,167 including interest at 3.75%, secured by specific equipment with a net book value of \$65,300 (2022 - \$114,275), due November 2025	93,444	127,257
	<u>\$ 452,254</u>	<u>\$ 677,998</u>

Capital lease repayments (principal and interest) due within the next four years are estimated as follows:

2024	\$ 246,214
2025	138,085
2026	86,206
2027	<u>1</u>
	470,506
Less: Imputed interest	<u>18,252</u>
	<u>\$ 452,254</u>

XENI GWET'IN FIRST NATIONS GOVERNMENT
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2023

10. REPLACEMENT RESERVE

Under the terms of the agreement with Canada Mortgage and Housing Corporation, the Replacement Reserve account is to be credited in the amount of \$14,000 (2022 - \$14,000) annually. Withdrawals are credited to interest first and then principal.

	2023	2022
Balance, beginning of year	\$ 95,715	\$ 84,574
Allocation as per budget	14,000	14,000
Interest income	149	149
Purchases during the year	(10,324)	(3,008)
Balance, end of year	\$ 99,540	\$ 95,715

11. OPERATING RESERVE

Under the terms of agreement with CMHC, after the payment of all costs and expenses including the allocation to the Replacement Reserve, any surplus revenue will be retained by the First Nation within an Operating Reserve fund. Interest earnings must accrue to and be maintained in the Operating Reserve fund. The Project's Operating Reserve fund may only be used for the ongoing operating cost of the housing projects committed under the 1997 On-Reserve Program. Accordingly, future years' deficits may be recovered from the Operating Reserve fund. The First Nation agrees to maintain an Operating Reserve fund insured by the Canada Deposit Insurance Corporation, or as may otherwise be mutually agreed to by the First Nation and CMHC.

	2023	2022
Balance, beginning of year	\$ 29,502	\$ 23,863
Allocation for the year	6,591	5,574
Interest earned	373	65
Balance, end of year	\$ 36,466	\$ 29,502

XENI GWET'IN FIRST NATIONS GOVERNMENT
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2023

12. TANGIBLE CAPITAL ASSETS

	2023			2022		
	Cost	Accumulated Amortization	Net Book Value	Cost	Accumulated Amortization	Net Book Value
First Nations Government						
Land	\$ 214,000	\$ -	\$ 214,000	\$ 214,000	\$ -	\$ 214,000
Office furniture and equipment	99,847	94,154	5,693	99,847	88,590	11,257
Buildings	1,031,105	623,187	407,918	1,031,105	585,116	445,989
Mobile home	67,300	67,300	-	67,300	67,300	-
Band houses	3,940,101	878,579	3,061,522	814,713	762,931	51,782
Infrastructure	16,922,539	5,457,032	11,465,507	8,833,057	4,845,082	3,987,975
Infrastructure under construction	2,570,593	-	2,570,593	7,787,629	-	7,787,629
Automotive	568,314	454,990	113,324	448,886	344,264	104,622
Other equipment	1,324,755	839,494	485,261	903,367	665,660	237,707
Pre-1991 assets	1	1	-	1	1	-
	26,738,555	8,414,737	18,323,818	20,199,905	7,358,944	12,840,961
Social Housing Project						
Buildings	2,160,027	877,819	1,282,208	2,160,027	813,486	1,346,541
Health						
Buildings	2,494,575	892,543	1,602,032	2,494,575	792,760	1,701,815
Office furniture and equipment	148,223	148,223	-	148,223	148,223	-
Automotive equipment	263,834	244,937	18,897	263,834	207,503	56,331
	2,906,632	1,285,703	1,620,929	2,906,632	1,148,486	1,758,146
Enterprises						
Office furniture and equipment	48,517	48,517	-	48,517	48,517	-
Shop	182,545	100,810	81,735	182,545	93,508	89,037
Excavating equipment	527,023	523,756	3,267	527,023	513,955	13,068
Automotive equipment	1,571,179	1,359,249	211,930	1,571,179	1,074,184	496,995
	2,329,264	2,032,332	296,932	2,329,264	1,730,164	599,100
	\$ 34,134,478	\$ 12,610,591	\$ 21,523,887	\$ 27,595,828	\$ 11,051,080	\$ 16,544,748

The tangible capital assets recorded at the nominal value of \$1 included land, automotive equipment, community centre and band office building, daycare building, office equipment, pumphouse and shop equipment. Band houses are owned by the Band during the period the related debt remains outstanding. When the debt is repaid the Band intends to transfer the houses to Band members for \$1.

Infrastructure and buildings under construction have been capitalized at costs incurred to date. No amortization has been recorded on these assets under construction and amortization will commence when the assets are put into operation.

Included in automotive equipment for Enterprises are assets under capital lease with a total cost of \$1,115,250 (2022 - \$1,115,250), accumulated amortization of \$930,350 (2022 - \$726,375) and net book value of \$184,900 (2022 - \$388,875). Included in amortization expense is \$203,975 (2022 - \$334,575) for amortization of assets under capital lease.

During the year, tangible capital assets were acquired at an aggregate cost of \$6,538,650 (2022 - \$5,192,789). Of this total, \$0 (2022 - \$462,250) were acquired by means of obligations under capital lease with the remaining \$6,538,650 (2022 - \$4,730,539) paid in cash.

In addition, during the year, tangible capital assets were disposed of for aggregate proceeds of \$0 (2022 - \$36,170). Of this total, \$0 (2022 - \$25,000) was disposed of through extinguishments of obligations under capital lease, with the remaining \$0 (2022 - \$11,170) received in cash.

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12. TANGIBLE CAPITAL ASSETS (Continued)

	2023							
	Land	Buildings	Automotive	Infrastructure	Furniture and equipment	Excavating equipment	Other equipment	Total
Cost, beginning of year	\$ 214,000	\$ 6,750,265	\$ 2,283,901	\$ 16,620,685	\$ 296,587	\$ 527,023	\$ 903,367	\$ 27,595,828
Additions	-	2,629,141	119,428	3,368,694	-	-	421,387	6,538,650
Cost, end of year	214,000	9,379,406	2,403,329	19,989,379	296,587	527,023	1,324,754	34,134,478
Accumulated amortization, beginning of year	-	3,115,100	1,625,952	4,845,082	285,331	513,955	665,660	11,051,080
Amortization	-	325,138	433,224	611,950	5,564	9,801	173,834	1,559,511
Accumulated amortization, end of year	-	3,440,238	2,059,176	5,457,032	290,895	523,756	839,494	12,610,591
Net carrying amount, end of year	\$ 214,000	\$ 5,939,168	\$ 344,153	\$ 14,532,347	\$ 5,692	\$ 3,267	\$ 485,260	\$ 21,523,887

	2022							
	Land	Buildings	Automotive	Infrastructure	Furniture and equipment	Excavating equipment	Other equipment	Total
Cost, beginning of year	\$ 214,000	\$ 6,750,265	\$ 1,793,037	\$ 12,098,927	\$ 282,354	\$ 527,023	\$ 778,376	\$ 22,443,982
Additions	-	-	531,807	4,521,758	14,233	-	124,991	5,192,789
Disposals	-	-	(40,943)	-	-	-	-	(40,943)
Cost, end of year	214,000	6,750,265	2,283,901	16,620,685	296,587	527,023	903,367	27,595,828
Accumulated amortization, beginning of year	-	2,871,118	1,083,846	4,491,760	274,213	504,154	576,103	9,801,194
Amortization	-	243,982	571,455	353,322	11,118	9,801	89,557	1,279,235
Disposals	-	-	(29,349)	-	-	-	-	(29,349)
Accumulated amortization, end of year	-	3,115,100	1,625,952	4,845,082	285,331	513,955	665,660	11,051,080
Net carrying amount, end of year	\$ 214,000	\$ 3,635,165	\$ 657,949	\$ 11,775,603	\$ 11,256	\$ 13,068	\$ 237,707	\$ 16,544,748

13. ACCUMULATED SURPLUS

Accumulated surplus is comprised of the following:

	2023	2022
Operating equity	\$ 9,673,352	\$ 5,498,641
Equity in Ottawa Trust	135,947	130,904
Equity in investments	1,103	1,103
Equity in tangible capital assets	20,287,811	14,973,541
	\$ 30,098,213	\$ 20,604,189

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14. CONTINGENT LIABILITIES

Related to funding from Indigenous Services Canada

Under the terms of the contribution agreements with Indigenous Services Canada and other governmental departments, certain surpluses may be repayable to the government and certain deficits may be reimbursable to the Band.

Litigation

- a) The Band has completed court actions which assert aboriginal rights and title and seek to stop logging in its trap lines. The Supreme Court of Canada has ruled favourably in the Band's behalf. Further outcomes arising from these matters have yet to be determined.
- b) The Band has either been billed or has accumulated legal services in the amount of \$36,389,000 with respect to asserting aboriginal title. The legal advisors have agreed that no amount is payable to them by the band unless funds are obtained from outside sources, including court-award damages or a negotiated settlement with the Province of BC and Canada.
- c) Retainer agreements and sharing agreements also provide for payments to Assembly of First Nations, Douglas Lambert, Western Canada Wilderness Committee and David Suzuki Foundation. However, the amount of such payments cannot be determined at this time. None of these amounts have been recorded in the books of account. However, they will be netted against funds obtained from outside sources, as discussed in b) above.

On-reserve housing

The Band has guaranteed certain band member loans. The total amount guaranteed amounts to \$0 (2022 - \$119,860) with \$0 being outstanding at March 31, 2023 (2022 - \$30,399).

15. BUDGET INFORMATION

The Budget information disclosed has been approved by Council.

16. EXPENSES BY OBJECT

	2023	2022
Administration fees	\$ 5,253	\$ 135
Allowances	313,934	286,311
Amortization	1,559,511	1,279,235
Bad debts	19,128	31,276
Fuel, propane and oil	882,649	908,747
Honorarium	243,949	108,806
Insurance	295,295	239,873
Interest on long-term debt	40,816	38,277
Material and supplies	1,281,435	1,049,957
Other	768,525	1,389,808
Professional fees	806,955	1,060,615
Repairs and maintenance	172,666	112,133
Service contracts	1,622,344	2,550,710
Social assistance payments	159,093	277,318
Telephone	70,439	52,748
Travel, training and workshops	791,289	505,578
Wages and benefits	3,230,675	2,739,496
	<u>\$ 12,263,956</u>	<u>\$ 12,631,023</u>

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17. EMPLOYEE BENEFITS

Xeni Gwet'in First Nations Government sponsors a defined contribution plan providing pension benefits for certain employees. Under the plan, Xeni Gwet'in First Nations Government matches the employee's contributions. During the year, Xeni Gwet'in First Nations Government contributed \$68,039 (2022 - \$66,716) and this employer's portion is recorded as employee benefits in the period when the benefit is earned.

18. SEGMENT DISCLOSURE

Xeni Gwet'in First Nations Government provides a wide range of services. Services are delivered through distinguishable functional segments for which financial information is available and is evaluated regularly by Council and management in allocating resources and assessing results.

For each reported segment, revenues and expenses represent amounts that are directly attributable to the segment. The accounting policies used in these segments are consistent with those followed in the preparation of the consolidated financial statements as disclosed in Note 1.

2023	Economic development	Education	Social development	Capital facilities and community	Social Housing	Enterprises	Eniyud health services	Band support	Total
REVENUE									
ISC	\$ 87,362	\$ 440,397	\$ 1,123,449	\$ 3,529,339	\$ -	\$ -	\$ -	\$ 309,497	\$ 5,490,044
Other	2,043,809	390	237,532	3,625,754	149,049	1,755,351	2,303,837	6,147,171	16,262,893
Gain on disposal of									
	2,131,171	440,787	1,360,981	7,155,093	149,049	1,755,351	2,303,837	6,456,668	21,752,937
EXPENSES									
Amortization	-	-	-	-	64,333	302,168	137,217	1,055,793	1,559,511
Operating expenses	1,784,096	391,876	449,155	463,102	81,467	1,961,927	1,042,429	1,299,718	7,473,770
Wages & benefits	689,621	43,010	84,861	116,121	3,249	434,206	864,945	994,662	3,230,675
	2,473,717	434,886	534,016	579,223	149,049	2,698,301	2,044,591	3,350,173	12,263,956
SURPLUS (DEFICIT)	\$ (342,546)	\$ 5,901	\$ 826,965	\$ 6,575,870	\$ -	\$ (942,950)	\$ 259,246	\$ 3,106,495	\$ 9,488,981

2022	Economic development	Education	Social development	Capital facilities and community	Social Housing	Enterprises	Eniyud health services	Band support	Total
REVENUE									
ISC	\$ 183,084	\$ 475,495	\$ 702,163	\$ 1,494,410	\$ -	\$ -	\$ -	\$ 369,532	\$ 3,224,684
Other	441,677	-	186,350	3,513,536	144,246	2,947,621	1,986,648	1,734,518	10,954,596
Gain on disposal of tangible capital assets	-	-	-	-	-	25,000	(424)	-	24,576
	624,761	475,495	888,513	5,007,946	144,246	2,972,621	1,986,224	2,104,050	14,203,856
EXPENSES									
Amortization	-	-	-	-	66,236	432,768	146,388	633,843	1,279,235
Operating expenses	1,639,696	332,217	502,633	577,144	78,010	2,634,737	717,807	2,130,048	8,612,292
Wages & benefits	395,472	39,245	107,026	99,095	-	392,075	771,890	934,693	2,739,496
	2,035,168	371,462	609,659	676,239	144,246	3,459,580	1,636,085	3,698,584	12,631,023
SURPLUS (DEFICIT)	\$ (1,410,407)	\$ 104,033	\$ 278,854	\$ 4,331,707	\$ -	\$ (486,959)	\$ 350,139	\$ (1,594,534)	\$ 1,572,833

19. COMPARATIVE FIGURES

Some of the comparative figures have been reclassified to conform to the current year's basis of presentation.