

NAZKO FIRST NATION
CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2021

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CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2021**

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MANAGEMENT'S RESPONSIBILITY

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

The consolidated financial statements have been prepared by management in accordance with Canadian public sector accounting standards prescribed for governments as recommended by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada and as such include amounts that are the best estimates and judgments of management.

Management is responsible for the integrity and objectivity of these statements and for implementing and maintaining a system of internal control to provide reasonable assurance that reliable financial information is produced.

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

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 consolidated financial statements and the external auditor's report.

The external auditor, Brent Bursey & Company Inc., Chartered Professional Accountants, conduct an independent examination, in accordance with Canadian auditing standards, and express their opinion on the consolidated financial statements. The external auditors have full and free access to financial management of Nazko First Nation and meet when required.

On behalf of Nazko First Nation:

Leah Stump
Chief

Deborah Alec
Councillor

Anthony
Councillor

INDEPENDENT AUDITOR'S REPORT

To the Members of Nazko First Nation:

Opinion

We have audited the consolidated financial statements of Nazko First Nation, which comprise the consolidated statement of financial position as at March 31, 2021, the consolidated statements of operations, changes in net financial debt 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 consolidated financial position of Nazko First Nation as at March 31, 2021, and the consolidated results of operations, changes in consolidated net financial debt and consolidated cash flows for the year then ended in accordance with Canadian Public Sector Accounting Standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Nazko First Nation 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 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 Nazko First Nation's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing Nazko First Nation'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.

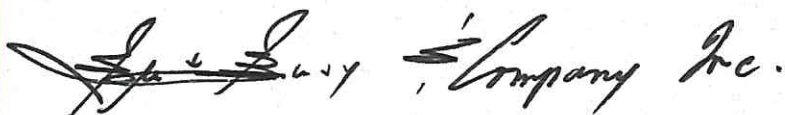
As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- 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 Nazko 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 Nazko 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 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 Nazko First Nation 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 Nation to express an opinion on the consolidated financial statements.

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.

Other Matter

The prior year's comparative figures were audited by another firm of Chartered Professional Accountants and have been reclassified to conform to the current year's presentation for comparative purposes.



Chartered Professional Accountants

October 26, 2022
Prince George, BC

NAZKO FIRST NATION
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2021

	2021	2020
FINANCIAL ASSETS		
Cash	\$ 3,346,907	\$ 1,612,197
Accounts receivable (Note 2)	430,023	1,266,019
Restricted cash (Note 3)	483,954	132,880
Inventory (Note 4)	4,200	-
Investments (Note 5)	58,336	104,655
Ottawa trust funds (Note 6)	22,076	20,923
	<u>4,345,496</u>	<u>3,136,674</u>
LIABILITIES		
Bank indebtedness (Note 7)	3,784,151	2,004,615
Accounts payable and accrued liabilities (Note 8)	1,169,767	1,908,994
Deferred revenue (Note 9)	11,966	-
Long-term debt (Note 10)	492,961	3,824,202
Obligation under capital lease (Note 11)	474,340	474,340
Accrued silviculture liabilities (Note 12)	330,725	268,315
	<u>6,263,910</u>	<u>8,480,466</u>
NET FINANCIAL DEBT	<u>(1,918,414)</u>	<u>(5,343,792)</u>
NON-FINANCIAL ASSETS		
Tangible capital assets (Note 13)	10,724,479	11,629,489
Prepaid expenditures	10,075	58,612
	<u>10,734,554</u>	<u>11,688,101</u>
ACCUMULATED SURPLUS	<u>\$ 8,816,140</u>	<u>\$ 6,344,309</u>
CONTINGENT LIABILITIES (Note 14)		

Approved on behalf of Nazko First Nation:

Leah Stump Chief

Delores Alec Councillor

[Signature] Councillor

The accompanying notes are an integral part of these consolidated financial statements.

NAZKO FIRST NATION
CONSOLIDATED STATEMENT OF OPERATIONS
YEAR ENDED MARCH 31, 2021

	Budget	2021	2020
REVENUE			
Indigenous Services Canada	\$ 2,730,957	\$ 2,744,840	\$ 1,324,148
First Nations Health Authority	1,218,016	1,218,742	1,126,886
Canada Mortgage and Housing Corporation	-	30,300	30,300
Province of British Columbia	1,222,289	1,055,267	736,295
BC First Nations Gaming	354,191	354,191	330,742
Cariboo Chilcotin Aboriginal Training Employment Centre	11,436	11,436	25,538
First Nations Education Steering Committee	3,028	28,979	3,596
Own Source	1,700,577	1,620,227	341,573
Administration fee	265,283	267,878	169,373
Interest, rent and other	198,003	1,037,933	309,572
Forgiveness of Treaty loan	-	-	6,295,884
Ottawa trust funds	-	1,153	1,233
Gain on disposal of tangible capital assets	-	25,064	542,081
(Increase) decrease in deferred revenue	-	(11,966)	1,297,249
	<u>7,703,780</u>	<u>8,384,044</u>	<u>12,534,470</u>
EXPENDITURE			
Economic development	3,159,437	291,873	253,103
Education	258,572	265,063	177,041
Employment and training	14,464	25,339	29,134
Government development and administration	733,135	1,041,754	668,288
Health services	1,344,082	1,214,393	1,296,082
Housing	-	28,511	74,700
Lands and resource management	898,718	539,984	-
Public works operations and maintenance	522,843	333,909	277,526
Social and community services	698,536	728,274	552,668
Treaty claim and negotiations	-	-	(4,992)
Loss from investments in government business entities - Appendix A	-	708,588	751,254
Interest	32,617	16,076	-
Amortization	-	713,654	802,747
	<u>7,662,404</u>	<u>5,907,418</u>	<u>4,877,551</u>
SURPLUS BEFORE (RECOVERY)			
REIMBURSEMENT	<u>\$ 41,376</u>	2,476,626	7,656,919
(RECOVERY) REIMBURSEMENT BY:			
Indigenous Services Canada		(4,795)	-
ANNUAL SURPLUS		2,471,831	7,656,919
ACCUMULATED SURPLUS (DEFICIT), BEGINNING OF YEAR		<u>6,344,309</u>	<u>(1,312,610)</u>
ACCUMULATED SURPLUS, END OF YEAR		<u>\$ 8,816,140</u>	<u>\$ 6,344,309</u>

The accompanying notes are an integral part of these consolidated financial statements.

NAZKO FIRST NATION
CONSOLIDATED STATEMENT OF CHANGES IN NET FINANCIAL DEBT
YEAR ENDED MARCH 31, 2021

	Budget	2021	2020
Annual surplus	\$ 41,376	\$ 2,471,831	\$ 7,656,919
Acquisition of tangible capital assets	-	(94,845)	(1,692,844)
Amortization	-	713,654	802,747
Gain on disposal of tangible capital assets	-	(25,064)	(542,081)
Proceeds on disposal of tangible capital assets	-	311,265	954,048
Transfer of work-in-progress assets	-	-	184,344
Write down of tangible capital assets	-	-	281,215
	-	905,010	(12,571)
Use (acquisition) of prepaid expenditures	-	48,537	(3,353)
DECREASE IN NET FINANCIAL DEBT	<u>\$ 41,376</u>	3,425,378	7,640,995
NET FINANCIAL DEBT, BEGINNING OF YEAR		<u>(5,343,792)</u>	<u>(12,984,787)</u>
NET FINANCIAL DEBT, END OF YEAR		<u>\$ (1,918,414)</u>	<u>\$ (5,343,792)</u>

The accompanying notes are an integral part of these consolidated financial statements.

NAZKO FIRST NATION
CONSOLIDATED STATEMENT OF CASH FLOWS
YEAR ENDED MARCH 31, 2021

	2021	2020
OPERATING ACTIVITIES		
Annual surplus	\$ 2,471,831	\$ 7,656,919
Items not involving cash		
Amortization	713,654	802,747
Bad debts	-	81,500
Forgiveness of treaty loan	-	(6,295,884)
Gain on disposal of tangible capital assets	(25,064)	(542,081)
Impairment on leased equipment	-	281,215
Transfer of work-in-progress assets	-	184,344
(Income) loss from investments in government business entities	(87,243)	-
	<u>3,073,178</u>	<u>2,168,760</u>
Cash provided by (used in) operating activities		
Accounts receivable	835,996	(579,200)
Inventory	(4,200)	35,453
Ottawa trust funds	(1,153)	(1,233)
Prepaid expenditures	48,537	(3,353)
Accounts payable and accrued liabilities	(739,227)	(8,748)
Deferred revenue	11,966	(1,306,217)
Accrued silviculture liabilities	62,410	(64,151)
	<u>3,287,507</u>	<u>241,311</u>
CAPITAL ACTIVITIES		
Acquisition of tangible capital assets	(94,845)	(1,692,844)
Proceeds on disposal of tangible capital assets	311,265	954,048
	<u>216,420</u>	<u>(738,796)</u>
FINANCING ACTIVITIES		
Repayment of long-term debt	(3,331,241)	(901,233)
Repayment under obligation under capital lease	-	(226,727)
	<u>(3,331,241)</u>	<u>(1,127,960)</u>
INVESTING ACTIVITIES		
Advances to government business entities	87,244	49,634
Patronage equity	46,318	(673)
	<u>133,562</u>	<u>48,961</u>
INCREASE (DECREASE) DURING YEAR	<u>306,248</u>	<u>(1,576,484)</u>
(INDEBTEDNESS) CASH, BEGINNING OF YEAR	<u>(259,538)</u>	<u>1,316,946</u>
CASH (INDEBTEDNESS), END OF YEAR	<u>\$ 46,710</u>	<u>\$ (259,538)</u>
Cash (indebtedness) consists of:		
Cash	\$ 3,346,907	\$ 1,612,197
Bank indebtedness	(3,784,151)	(2,004,615)
Restricted cash	483,954	132,880
	<u>\$ 46,710</u>	<u>\$ (259,538)</u>

The accompanying notes are an integral part of these consolidated financial statements.

NAZKO FIRST NATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2021

1. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES

These consolidated financial statements have been prepared in accordance with Canadian public sector accounting standards prescribed for governments as recommended by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada.

Reporting Entity and Principles of Financial Reporting

The reporting entity, Nazko First Nation, includes Nazko First Nation Government and all owned or controlled related entities.

All controlled entities are fully consolidated on a line-by-line basis. All inter-entity balances have been eliminated on consolidation; however, transactions between departments have not been eliminated in order to present the results of operations for each specific department.

No adjustments are made for accounting policies of the entity that are different from those of Nazko First Nation.

The Nation has consolidated the following entities and departments at 100% of assets, liabilities, revenue and expenses:

- Besikoh Fuel Limited Partnership
- Nazko First Nation CMHC Social Housing Program
- Nazko Economic Development Corp.
- Nazko Logging Limited Partnership
- Nazko Silviculture LLP
- Ndazkhot'en Forest Management Ltd.
- Ndazkhot'en Holdings Ltd.
- Ndazkhot'en Properties Ltd.
- Three Nations Store and Lodge Limited Liability Partnership

The Nation has consolidated the following entities at 51% of assets, liabilities, revenue and expenses:

- Nazbec Limited Partnership
- Nazbec Wood Processing Ltd.

NAZKO FIRST NATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2021

1. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES, continued

Asset Classification

Nazko First Nation classifies assets as either financial or non-financial. Financial assets consist of assets that could be used to pay existing liabilities or finance future operations. Non-financial assets are acquired, constructed or developed assets that do not normally provide resources to pay existing liabilities but are employed to deliver government services, may be consumed in normal operations and are not for resale in the normal course of operations. Non-financial assets include tangible capital assets and prepaid expenditures.

Funds Held in Trust

Funds held in trust on behalf of Nazko First Nation members by the Government of Canada in the Ottawa Trust Fund are reported on the statement of financial position with an offsetting amount in accumulated surplus. Trust monies consist of:

- Capital trust monies derived from non-renewable resource transactions on the sale of land or other Nation tangible capital assets; and
- Revenue trust monies generated primarily through land leasing transactions or interest earned on deposits held in trust.

Cash and Bank Indebtedness

Cash and bank indebtedness include cash on hand, cash on deposit net of cheques issued and outstanding at the reporting date, and short-term deposits with maturity dates of less than 90 days.

Net Financial Debt

Nazko First Nation's consolidated financial statements are presented to highlight net financial debt as the measurement of financial position. The net financial debt is determined by Nazko First Nation's financial assets less its liabilities.

Tangible Capital Assets

Tangible capital assets are recorded at cost, which includes amounts that are directly related to the acquisition, design, construction, development, improvement or betterment of the assets. Cost includes overhead directly attributable to construction and development, as well as interest costs that are directly attributable to the acquisition or construction of the asset. Transfers of tangible capital assets from related parties are recorded at carrying value.

NAZKO FIRST NATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2021

1. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES, continued

Tangible Capital Assets, continued

Leases that transfer substantially all the benefits and risks of ownership to the lessee are recorded as capital leases. Accordingly, at the inception of the leases, the tangible capital asset and related lease obligations are recorded at an amount equal to the present value of future lease payments discounted at the lower of the interest rate inherent in the lease contracts and the Nation's incremental cost of borrowing.

Tangible capital assets are amortized using the declining balance method at rates calculated to amortize the cost less salvage value as follows:

Computer equipment	30%
Infrastructure	4-20%
Logging equipment	30%
Mobile and construction equipment	30%
Mobile homes	4-10%
Office equipment	20%
Recreational infrastructure	10%
Site improvements	20%

Social housing assets acquired under CMHC sponsored housing programs are amortized at a rate equivalent to the annual principal reduction in related long-term debt.

Assets under construction are not amortized until the asset is available to be put into service.

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

Tangible capital assets are written down when conditions indicate that they no longer contribute to the Nation's ability to provide goods and services, or when the value of future economic benefits associated with the tangible capital assets are less than their net book value. Net write-downs are accounted for in the consolidated statement of operations and consolidated statement of changes in net debt when they occur.

All intangible assets and items inherited by the right of Nazko First Nation, such as reserve land, forests, water, and mineral reserves, are not recognized in the consolidated financial statements.

Revenue and Expenditure

Revenue and expenditure are recorded using the accrual basis of accounting. 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.

NAZKO FIRST NATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2021

1. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES, continued

Revenue and Expenditure, continued

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. Transfers are recognized as deferred revenue when transfer stipulations give rise to a liability and recognized in the statement of operations as the stipulation liabilities are settled.

Contributions from other sources are deferred when restrictions are placed on their use by the contributor and are recognized as revenue when used for the specific purpose.

Capital and revenue from trust funds is recognized at the time funds are contributed from the accounts held in Ottawa. Interest revenue is recognized when earned.

Investment income is recognized when the investment income is earned.

Logging revenue is earned on timber sale licenses and is recognized when wood fibre is delivered and the customer takes ownership and assumes the risk of loss, persuasive evidence of an arrangement exists, and collection is reasonably assured.

Silviculture revenue is earned on the provision of silviculture services and is recognized when the service is provided, and collection is reasonably assured.

Revenue earned from the sale of lumber, fuel, tobacco and confectionary items is recognized when the goods are delivered to the customer, persuasive evidence of an arrangement exists, and collection is reasonably assured.

Interest income, rental income and other revenue are recognized when earned and/or when the service is provided, and collection is reasonably assured.

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 reimburse over expenditures upon determining adherence to the terms and conditions of payments for a specified purpose. Recoveries and reimbursements are accounted for when they are paid or payable or received or receivable.

NAZKO FIRST NATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2021

1. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES, continued

Measurement Uncertainty

The preparation of consolidated financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenditure during the reporting period.

Accounts receivable and amounts due from related entities and department are stated, after evaluation, as to their collectability and an appropriate allowance for doubtful accounts is provided where considered necessary. Provisions are made for slow moving and obsolete inventory. Amortization is based on the estimated useful lives of tangible capital assets. Liabilities for contaminated sites are based on the best information available regarding potentially contaminated sites that Nazko First Nation is responsible for. Silviculture liabilities are based on the best information available regarding the potential liability that Nazko First Nation is responsible for.

Actual results could differ from these estimates. These estimates and assumptions are reviewed periodically and, as adjustments become necessary, are reported in income in the years in which they become known.

Liability for Contaminated Site

A liability for remediation of a contaminated site is recognized at the best estimate of the amount required to remediate the contaminated site when contamination exceeding an environmental standard exists, Nazko First Nation is either directly responsible or accepts responsibility, it is expected that future economic benefits will be given up, and a reasonable estimate of the amount is determinable. The best estimate of the liability includes all costs directly attributable to remediation activities and is reduced by expected net recoveries based on information available at March 31, 2021.

Nazko First Nation reviews the carrying amount of the liability annually. Any revisions required previously recognized amounts are accounted for in the period revisions are made. Nazko First Nation continues to recognize the liability until it is settled or otherwise extinguished. Disbursements made to settle the liability are deducted from the reported liability when they are made. No liability for contaminated site exists as at March 31, 2021.

NAZKO FIRST NATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2021

2. ACCOUNTS RECEIVABLE

	2021	2020
Government		
Receiver General - Goods and services tax	\$ 11,941	\$ 8,852
Indigenous Services Canada	13,883	-
	25,824	8,852
Trade receivables	413,774	1,238,825
Nazko First Nation members	99,957	112,673
Other	-	61,679
	539,555	1,422,029
Less: allowance for doubtful accounts	(109,532)	(156,010)
	<u>\$ 430,023</u>	<u>\$ 1,266,019</u>

3. RESTRICTED CASH

	2021	2020
Restricted cash consists of:		
Replacement Reserve	\$ 85,944	\$ 76,814
Operations Reserve	66,910	54,585
Treaty Negotiations	1,412	1,481
Ministry of Forests	329,688	-
	<u>\$ 483,954</u>	<u>\$ 132,880</u>

Replacement Reserve

Under terms of the agreement with CMHC, the Replacement Reserve account is to be credited \$6,000 (2020 - \$6,000) for Phase II and \$2,000 (2020 - \$2,000) for Phase III. 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, or as may otherwise be approved by CMHC from time to time. The funds in the account may only be used as approved by CMHC. Withdrawals are credited to interest first and then principal. At year end, the replacement reserve has unfunded reserves of \$8,046 (2020 - \$9,047) and is in technical default with the CMHC agreement.

NAZKO FIRST NATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2021

3. RESTRICTED CASH, continued

Operations Reserve

Under terms of the agreement with CMHC, after the payment of all costs and expenditures, including the allocation to the Replacement Reserve, any surplus revenue from Phase II and/or Phase III will be retained by the Program within an Operations Reserve Fund. The Program's Operations Reserve Fund may only be used for the on-going operating costs of Phase II and Phase III as committed under the Post 1996 On-Reserve Program. Accordingly, future years' deficits may be recovered from the Operations Reserve Fund. 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, or as may otherwise be mutually agreed by Nazko First Nation and CMHC. At year end, the program has unfunded reserves of \$10,075 (2020 - \$12,370) and is in technical default with the CMHC agreement.

Treaty Negotiations

Treaty Negotiations cash is restricted for expenditures as related to Nazko First Nation Negotiations Support Agreement for carrying out treaty negotiations with Canada and British Columbia.

Ministry of Forests

Restricted cash consists of amounts in safekeeping agreements held jointly between Ndazkhot'en Forest Management Ltd. and the Ministry of Forests for security on future silviculture costs.

4. INVENTORY

	2021	2020
Three Nations Store and Lodge Limited Liability Partnership		
Groceries, hardware and household items	\$ 4,200	\$ -

5. INVESTMENTS

	2021	2020
Four Rivers Co-operative, equity	\$ 3,108	\$ 104,655
Advance receivable - Nazbec Limited Partnership	55,227	-
	<u>\$ 58,336</u>	<u>\$ 104,655</u>

NAZKO FIRST NATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2021

6. OTTAWA TRUST FUNDS

	Revenue	Capital	Total 2021	Total 2020
Balance, beginning of year	\$ 17,176	\$ 3,747	\$ 20,923	\$ 19,690
Interest	250	-	250	324
BC Special	903	-	903	909
Balance, end of year	<u>\$ 18,329</u>	<u>\$ 3,747</u>	<u>\$ 22,076</u>	<u>\$ 20,923</u>

The Ottawa Trust Accounts arise from monies from capital or revenue sources 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. The management of these funds is primarily governed by Sections 63 to 69 of the Indian Act.

7. BANK INDEBTEDNESS

	2021	2020
Bank of Montreal		
Nazko First Nation	\$ 131	\$ 292,317
Besikoh Fuel Limited Partnership	-	150,487
Nazko Economic Development Corp.	3,784,020	-
Nazko Logging Limited Partnership	-	1,361,945
Ndazkhot'en Holdings Ltd.	-	98,719
Three Nations Store and Lodge Limited Liability Partnership	-	101,147
	<u>\$ 3,784,151</u>	<u>\$ 2,004,615</u>

Nazko First Nation credit facility includes a revolving line of credit authorized to \$300,000, bearing interest at prime plus 0.5% (March 31, 2021 - 2.95%), secured by an assignment of fire insurance and a general security agreement.

Nazko Economic Development Corp. credit facility includes an operating line of credit available to a maximum of \$3,929,000 bearing interest at prime plus 1.25% (March 31, 2021 - 3.70%), secured by a general security agreement, registered mortgage over property and guarantees from Nazko First Nation and Nation-owned entities.

NAZKO FIRST NATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2021

8. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2021	2020
Trade payables	\$ 804,484	\$ 1,771,815
Government remittances payable	31,324	26,354
Wages and benefits payable	20,295	16,050
Accrued liabilities	<u>313,664</u>	<u>94,775</u>
	<u>\$ 1,169,767</u>	<u>\$ 1,908,994</u>

9. DEFERRED REVENUE

	2021	2020
Other	<u>\$ 11,966</u>	<u>\$ -</u>

The Nation has recorded deferred revenue to be used for delivery and completion of future programs and projects.

10. LONG-TERM DEBT

	2021	2020
All Nations Trust Company		
Mortgage repayable in monthly instalments of \$2,873 including interest at 1.31% per annum, secured by a Government of Canada ministerial guarantee, due to renew December 2021	\$ 345,593	\$ 375,354
Mortgage repayable in monthly instalments of \$952 including interest at 2.14% per annum, secured by a Government of Canada ministerial guarantee, due to renew March 2024	128,151	136,749
Visa Truck Rentals (1991) Ltd.		
Conditional sales agreement payable in monthly instalments of \$1,911 including interest at 5.50% secured by specific equipment with a net book value of \$91,404, due to mature January 2022	<u>19,217</u>	<u>40,658</u>
Balance forward	<u>\$ 492,961</u>	<u>\$ 552,761</u>

NAZKO FIRST NATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2021

10. LONG-TERM DEBT, continued

	2021	2020
Balance forward	\$ 492,961	\$ 552,761
Bank of Montreal		
Demand loan	-	2,406,909
Demand loan	-	339,614
Demand loan	-	78,922
Loan	-	43,179
Finning Canada		
Loan	-	342,266
Four Rivers Co-operative		
Loan	-	48,699
Visa Truck Rentals (1991) Ltd.		
Loan	-	11,852
	<u>\$ 492,961</u>	<u>\$ 3,824,202</u>

Principal repayments due in each of the next years are scheduled as follows:

2022	\$ 59,894
2023	39,160
2024	39,814
2025	132,420
2026	31,645
Subsequent	<u>190,028</u>
	<u>\$ 492,961</u>

11. OBLIGATION UNDER CAPITAL LEASE

Pacific Basin Economic Council

Lease payable in monthly instalments of \$60,000 including interest at 4.50% per annum, secured by specific equipment with a net book value of \$765,000 maturing December 2020.

\$ 474,340 \$ 474,340

NAZKO FIRST NATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2021

11. OBLIGATION UNDER CAPITAL LEASE, continued

Capital lease payments were deferred due to a lack of cash flow by Nazbec Limited Partnership as at December 31, 2020.

12. ACCRUED SILVICULTURE LIABILITIES

Accrued silviculture liabilities are recorded at the estimated cost to reforest forest licences held by Ndazkhot'en Forest Management Ltd.

13. TANGIBLE CAPITAL ASSETS (Appendix B)

			2021	2020
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Computer equipment	\$ 222,201	\$ 185,411	\$ 36,790	\$ 40,710
Infrastructure	14,127,760	5,144,465	8,983,295	9,399,719
Logging equipment	1,264,154	1,170,991	93,163	411,954
Mobile and construction equipment	2,659,463	1,549,905	1,109,558	1,251,213
Mobile homes	624,528	474,043	150,485	160,090
Office equipment	351,533	351,533	-	106
Recreational infrastructure	302,623	234,515	68,108	75,676
Site improvements	189,936	162,171	27,765	34,706
	19,742,198	9,273,034	10,469,164	11,374,174
Land	255,315	-	255,315	255,315
	<u>\$ 19,997,513</u>	<u>\$ 9,273,034</u>	<u>\$ 10,724,479</u>	<u>\$ 11,629,489</u>

14. CONTINGENT LIABILITIES

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

The Nation may have future silviculture commitments on government business entity owned forest licences if future costs exceed current estimates. The amount of the liability, if any, is not determinable at this time.

NAZKO FIRST NATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2021

14. CONTINGENT LIABILITIES, continued

The Nation has guaranteed an operating line of credit advanced to Nazko Economic Development Corp.

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

15. RECONCILIATION OF ISC FUNDING AGREEMENT REVENUE

Pursuant to the Indigenous Services Canada Financial Reporting Requirements for the fiscal period 2020 - 2021, the following reconciliation has been prepared:

Recipient total, as per 2020/2021 ISC funding confirmation	\$ 2,744,840
Variance	<u>-</u>
ISC revenue, as per consolidated statement of operations	<u>\$ 2,744,840</u>

16. GOVERNMENT TRANSFERS

	2021			2020		
	<u>Operating</u>	<u>Capital</u>	<u>Total</u>	<u>Operating</u>	<u>Capital</u>	<u>Total</u>
Federal government transfers:						
Indigenous Services Canada	\$ 2,726,591	\$ 18,249	\$ 2,744,840	\$ 1,321,073	\$ 3,075	\$ 1,324,148
Canada Mortgage And Housing Corporation	30,300	-	30,300	30,300	-	30,300
	2,756,891	18,249	2,775,140	1,351,373	3,075	1,354,448
Provincial government transfers	1,055,267	-	1,055,267	736,295	-	736,295
First Nations Health Authority	1,218,742	-	1,218,742	1,126,886	-	1,126,886
	<u>\$ 5,030,900</u>	<u>\$ 18,249</u>	<u>\$ 5,049,149</u>	<u>\$ 3,214,554</u>	<u>\$ 3,075</u>	<u>\$ 3,217,629</u>

NAZKO FIRST NATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2021

17. RELATED PARTY TRANSACTIONS

In the normal course of operations, the Nation participated in transactions with related parties measured at the exchange amount as determined and agreed between the related parties.

The Nation received snow removal services of \$16,420 (2020 - \$23,000) from Nazko Logging Limited Partnership in the normal course of operations. The amount is measured at the exchange amount which is determined and agreed between the related party.

18. ECONOMIC DEPENDENCE

The Nation receives a major portion of its revenue pursuant to funding arrangements with Indigenous Services Canada and First Nations Health Authority. Any disruption in this funding would have a negative effect on the Nation's operations.

19. RISK MANAGEMENT

The Nation has a comprehensive risk management framework to monitor, evaluate and manage the principal risks assumed with financial instruments. The risks that arise from transacting financial instruments include the following:

Credit Risk

Credit risk refers to the risk that a counterparty may default on its contractual obligations resulting in a financial loss. The Nation has a history of dealing with its funding agencies and customer base and does not believe it is exposed to an unusual level of credit risk with respect to its accounts receivable.

The Nation maintains its cash and deposits with a federally regulated Canadian financial institution and a Credit Union, and thus has not experienced any change in risk exposure.

Interest Rate Risk

Interest rate risk refers to the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The majority of the Nation's long-term debt is at fixed rates of interest, therefore, a change in market interest rates has no impact to cash flows required to service this debt. The Nation has two mortgages and maintains an operating line of credit subject to floating rates of interest, a change in the variable rate can impact cash flow to service these debts when such debts are outstanding. There has been no change to the risk exposure from 2020 and there is expected to be no substantive change in the next fiscal period.

NAZKO FIRST NATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2021

20. SEGMENT DISCLOSURE

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

Economic Development - manages the development of economic opportunities from the land and natural resources for the Nation and its entities;

Education - provides elementary and secondary education instructional services and provides financial support to post secondary students;

Employment and Training - provides training and work opportunities for Nation members to improve their job skills and participate effectively in the labour market;

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

Health Services - provides a variety of health care programs, services and support to Nation members;

Housing - provides housing and services to Nation members;

Public Works Operations and Maintenance - manages community and facilities operations and maintenance including capital projects, municipal services, water and waste water operations, roads, fire protection, and maintenance of community buildings;

Lands and Resource Management - manages the development of economic opportunities from the land and natural resources for the Nation and its entities;

Social and Community Services - provides programs and services for the social benefit and welfare of Nation members;

Treaty Claims and Negotiations - manages the land claim and negotiation process with Canada and the Province of British Columbia;

Other - Ottawa trust funds and government business entities provide programs and services for the social, economic and capital needs of Nation members;

Tangible Capital Assets - provides for capital infrastructure development for Nation members.

NAZKO FIRST NATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2021

21. BUDGETED FIGURES

Budgets were not prepared for all segments and all departments in 2021. As such, the budget figures in the Consolidated Statement of Operations are not presented for the same scope of activities as the actual results. The disclosed budget information has been approved by Chief and Council of Nazko First Nation.

NAZKO FIRST NATION
SEGMENT DISCLOSURE
YEAR ENDED MARCH 31, 2021

	ECONOMIC DEVELOPMENT			EDUCATION			EMPLOYMENT AND TRAINING			GOVERNMENT DEVELOPMENT AND ADMINISTRATION			HEALTH SERVICES		
	Budget	2021	2020	Budget	2021	2020	Budget	2021	2020	Budget	2021	2020	Budget	2021	2020
REVENUE															
Indigenous Services Canada	\$ 19,074	\$ 19,074	\$ 39,074	\$ 275,901	\$ 289,784	\$ 191,297	\$ -	\$ -	\$ -	\$ 543,572	\$ 543,572	\$ 434,171	\$ -	\$ -	\$ -
First Nations Health Authority	-	-	-	-	-	-	-	-	-	-	-	-	1,218,016	1,218,742	1,126,886
Canada Mortgage and Housing Corporation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Province of British Columbia	941,201	941,201	654,165	-	-	-	-	-	-	-	-	-	114,066	114,066	82,130
BC First Nations Gaming	354,191	354,191	330,742	-	-	-	-	-	-	-	-	-	-	-	-
Cariboo Chilcotin Aboriginal Training Employment Centre	-	-	-	-	-	-	11,436	11,436	25,538	-	-	-	-	-	-
First Nations Education Steering Committee	-	-	-	-	-	-	3,028	28,979	3,596	-	-	-	-	-	-
Own Source	1,700,577	1,620,227	341,573	-	-	-	-	-	-	-	-	-	-	-	-
Administration fee	76,695	76,695	73,443	-	-	-	-	-	-	188,588	191,183	95,930	-	-	-
Interest, rent and other	67,699	67,199	132,737	17,329	17,329	-	-	-	-	975	974	3,396	12,000	12,200	69,039
Ottawa trust funds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Income from investments in government business entities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Increase in deferred revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL REVENUE	3,159,437	3,078,587	1,571,734	293,230	307,113	191,297	14,464	40,415	29,134	733,135	735,729	533,497	1,344,082	1,345,008	1,278,055
EXPENDITURE															
Administration	1,700	1,700	2,610	25,314	25,314	15,180	-	3,167	2,645	-	24,417	5,000	107,180	93,680	107,783
Advertising	-	-	-	-	-	-	-	-	-	-	-	4,566	-	-	-
Amortization and interest	-	-	-	-	-	-	-	-	-	32,617	8,246	16,581	-	-	-
Consulting and contract services	27,641	42,551	7,930	(17,216)	113	-	-	-	-	-	-	40,496	104,742	71,761	72,987
Equipment purchase	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Honoraria, allowances and donations	(7,809)	(6,809)	1,710	120,208	132,435	16,789	-	-	-	-	-	-	6,000	5,132	833
Insurance, licences and fees	325	36,282	90,101	-	-	-	-	-	-	410	410	1,310	20,340	19,880	19,791
Materials and supplies	2,959,698	79,964	59,284	116,554	79,365	135,136	575	3,811	1,311	227,056	198,786	10,458	230,215	221,066	201,138
Office	101,530	1,530	-	-	-	-	-	-	-	2,385	2,842	-	14,050	4,640	2,363
Professional fees	13,450	30,943	24,481	-	-	-	-	-	-	35,000	34,989	43,531	23,900	24,127	34,146
Repairs and maintenance	19,113	23,518	3,911	-	-	-	-	-	-	-	-	-	27,295	35,617	17,233
Telephone and utilities	-	7,649	3,639	-	-	-	-	-	-	6,000	5,982	4,966	31,909	32,231	32,172
Travel and accommodations	219	(963)	29,349	-	1,143	2,241	-	-	2,426	15,555	15,553	43,046	73,651	85,336	90,995
Wages and benefits	43,210	65,594	23,038	5,197	5,194	-	13,889	18,361	21,027	394,572	541,947	337,806	559,537	510,547	572,119
Workshops, meetings and training	-	149	4,350	-	-	360	-	-	-	100	-	6,709	106,500	71,359	55,606
Loss from investments in government business entities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other	360	9,765	2,700	8,515	21,499	7,335	-	-	1,725	19,440	216,828	170,400	38,763	39,017	88,916
TOTAL EXPENDITURE	3,159,437	291,873	253,103	258,572	265,063	177,041	14,464	25,339	29,134	733,135	1,050,000	684,869	1,344,082	1,214,393	1,296,082
ANNUAL (DEFICIT) SURPLUS	\$ -	\$ 2,786,714	\$ 1,318,631	\$ 34,658	\$ 42,050	\$ 14,256	\$ -	\$ 15,076	\$ -	\$ -	\$ (314,271)	\$ (151,372)	\$ -	\$ 130,615	\$ (18,027)

NAZKO FIRST NATION
SEGMENT DISCLOSURE
YEAR ENDED MARCH 31, 2021

	PUBLIC WORKS						LANDS AND			SOCIAL AND			OTHER															
	HOUSING			OPERATIONS AND MAINTENANCE			RESOURCE MANAGEMENT			COMMUNITY SERVICES																		
	Budget	2021	2020	Budget	2021	2020	Budget	2021	2020	Budget	2021	2020	Budget	2021	2020													
REVENUE																												
Indigenous Services Canada	\$	-	\$	-	\$	355,821	\$	355,821	\$	202,223	\$	798,718	\$	798,718	\$	-	\$	719,622	\$	719,622	\$	454,308	\$	-	\$	-	\$	-
First Nations Health Authority		-		-		-		-		-		-		-		-		-		-		-		-		-		-
Canada Mortgage and Housing Corporation		-		30,300		30,300		-		-		-		-		-		-		-		-		-		-		-
Province of British Columbia		-		-		-		167,022		-		-		-		-		-		-		-		-		-		-
BC First Nations Gaming		-		-		-		-		-		-		-		-		-		-		-		-		-		-
Cariboo Chilcotin Aboriginal Training Employment Centre		-		-		-		-		-		-		-		-		-		-		-		-		-		-
First Nations Education Steering Committee		-		-		-		-		-		-		-		-		-		-		-		-		-		-
Own Source		-		-		-		-		-		-		-		-		-		-		-		-		-		-
Administration fee		-		-		-		-		-		-		-		-		-		-		-		-		-		-
Interest, rent and other		-		44,400		44,400		-		-		60,000		100,000		100,000		-		-		-		-		-		6,295,884
Ottawa trust funds		-		-		-		-		-		-		-		-		-		-		-		-		1,153		1,233
Income from investments in government business entities		-		-		-		-		-		-		-		-		-		-		-		-		-		-
Increase in deferred revenue		-		-		-		-		-		-		-		-		-		-		-		-		-		-
TOTAL REVENUE	-	74,700	74,700	522,843	355,821	262,223	898,718	898,718	-	719,622	719,622	454,308	-	1,153	6,297,117													
EXPENDITURE																												
Administration	-	-	46,204	30,027	30,027	3,396	77,000	77,000	-	17,916	17,916	13,580	-	-	-													
Advertising	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-													
Amortization and interest	-	46,189	-	-	-	-	-	-	-	-	-	-	-	-	8													
Consulting and contract services	-	-	-	63,885	99,031	128,212	616,228	357,471	-	35,050	35,051	7,000	-	-	-													
Equipment purchase	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-													
Honoraria, allowances and donations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-													
Insurance, licences and fees	-	4,611	4,430	11,475	11,468	9,284	685	684	-	-	-	-	-	-	-													
Materials and supplies	-	-	-	21,333	47,868	82,897	37,700	34,734	-	102,603	83,265	130,789	-	-	-													
Office	-	-	-	150	150	-	-	-	-	-	-	-	-	-	-													
Professional fees	-	6,000	6,000	-	-	-	-	-	-	-	-	-	-	-	(5,000)													
Repairs and maintenance	-	-	-	192,475	2,957	4,943	33,500	33,492	-	2,900	2,819	1,218	-	-	-													
Telephone and utilities	-	-	-	23,482	22,542	21,581	550	551	-	7,686	11,965	450	-	-	-													
Travel and accommodations	-	-	-	1,110	1,415	195	3,132	-	-	2,600	2,601	6,854	-	-	-													
Wages and benefits	-	-	-	178,906	118,451	26,684	117,923	36,052	-	147,318	147,321	119,957	-	-	-													
Workshops, meetings and training	-	-	-	-	-	334	-	-	-	1,700	1,700	42,235	-	-	-													
Loss from investments in government business entities	-	-	-	-	-	-	-	-	-	-	-	-	-	683,524	537,376													
Other	-	17,900	18,066	-	-	-	12,000	-	-	380,763	425,636	230,585	-	-	-													
TOTAL EXPENDITURE	-	74,700	74,700	522,843	333,909	277,526	898,718	539,984	-	698,536	728,274	552,668	-	683,524	532,384													
ANNUAL (DEFICIT) SURPLUS	\$	-	\$	-	\$	-	\$	21,912	\$	(15,303)	\$	-	\$	358,734	\$	-	\$	21,086	\$	(8,652)	\$	(98,360)	\$	-	\$	(682,371)	\$	5,764,733

NAZKO FIRST NATION
SEGMENT DISCLOSURE
YEAR ENDED MARCH 31, 2021

	TANGIBLE CAPITAL ASSETS			TOTAL BEFORE ADJUSTMENTS			CONSOLIDATION ADJUSTMENTS			CONSOLIDATED TOTALS		
	Budget	2021	2020	Budget	2021	2020	Budget	2021	2020	Budget	2021	2020
REVENUE												
Indigenous Services Canada	\$ 18,249	\$ 18,249	\$ 3,075	\$ 2,730,957	\$ 2,744,840	\$ 1,324,148	\$ -	\$ -	\$ -	\$ 2,730,957	\$ 2,744,840	\$ 1,324,148
First Nations Health Authority	-	-	-	1,218,016	1,218,742	1,126,886	-	-	-	1,218,016	1,218,742	1,126,886
Canada Mortgage and Housing Corporation	-	-	-	-	30,300	30,300	-	-	-	-	30,300	30,300
Province of British Columbia	-	-	-	1,222,289	1,055,267	736,295	-	-	-	1,222,289	1,055,267	736,295
BC First Nations Gaming	-	-	-	354,191	354,191	330,742	-	-	-	354,191	354,191	330,742
Cariboo Chilcotin Aboriginal Training Employment Centre	-	-	-	11,436	11,436	25,538	-	-	-	11,436	11,436	25,538
First Nations Education Steering Committee	-	-	-	3,028	28,979	3,596	-	-	-	3,028	28,979	3,596
Own Source	-	-	-	1,700,577	1,620,227	341,573	-	-	-	1,700,577	1,620,227	341,573
Administration fee	-	-	-	265,283	267,878	169,373	-	-	-	265,283	267,878	169,373
Interest, rent and other	-	-	-	198,003	242,102	6,605,456	-	820,895	542,081	198,003	1,062,997	7,147,537
Ottawa trust funds	-	-	-	-	1,153	1,233	-	-	-	-	1,153	1,233
Income from investments in government business entities	-	-	-	-	-	-	-	-	-	-	-	-
Increase in deferred revenue	-	-	-	-	-	-	-	(11,966)	1,297,249	-	(11,966)	1,297,249
TOTAL REVENUE	18,249	18,249	3,075	7,703,780	7,575,115	10,695,140	-	808,929	-	7,703,780	8,384,044	12,534,470
EXPENDITURE												
Administration	-	-	86,695	259,137	273,221	283,093	-	-	(86,695)	259,137	273,221	196,398
Advertising	-	-	-	-	-	4,566	-	-	-	-	-	4,566
Amortization and interest	-	-	-	32,617	54,435	16,589	-	675,295	786,158	32,617	729,730	802,747
Consulting and contract services	-	-	1,128,669	830,330	605,978	1,385,294	-	-	(1,128,669)	830,330	605,978	256,625
Equipment purchase	-	-	-	-	-	-	-	-	-	-	-	-
Honoraria, allowances and donations	-	-	-	118,399	130,758	19,332	-	-	-	118,399	130,758	19,332
Insurance, licences and fees	-	-	-	33,235	73,335	124,916	-	-	-	33,235	73,335	124,916
Materials and supplies	18,249	18,814	72,333	3,713,983	767,673	693,346	(18,249)	(18,814)	(7,233)	3,695,734	748,859	686,113
Office	-	-	-	118,115	9,162	2,363	-	-	-	118,115	9,162	2,363
Professional fees	-	-	-	72,350	96,059	103,158	-	-	-	72,350	96,059	103,158
Repairs and maintenance	-	2,463	-	275,283	100,866	27,305	-	(2,463)	-	275,283	98,403	27,305
Telephone and utilities	-	-	5,614	69,627	80,920	68,422	-	-	(5,614)	69,627	80,920	62,808
Travel and accommodations	-	-	644	96,267	105,085	175,750	-	-	(644)	96,267	105,085	175,106
Wages and benefits	-	47	55	1,460,552	1,443,514	1,100,686	-	(47)	(55)	1,460,552	1,443,467	1,100,631
Workshops, meetings and training	-	-	955	108,300	73,208	110,549	-	-	(955)	108,300	73,208	109,594
Loss from investments in government business entities	-	-	-	-	683,524	537,376	-	25,064	213,878	-	708,588	751,254
Other	-	-	-	459,841	730,645	519,727	-	-	(65,092)	459,841	730,645	454,635
TOTAL EXPENDITURE	18,249	21,324	1,294,965	7,648,036	5,228,383	5,172,472	(18,249)	679,035	(294,921)	7,629,787	5,907,418	4,877,551
ANNUAL (DEFICIT) SURPLUS	\$ -	\$ (3,075)	\$ (1,291,890)	\$ 55,744	\$ 2,346,732	\$ 5,522,668	\$ 18,249	\$ 129,894	\$ 294,921	\$ 73,993	\$ 2,476,626	\$ 7,656,919

**NAZKO FIRST NATION
GOVERNMENT BUSINESS ENTITIES
CONDENSED FINANCIAL INFORMATION
YEAR ENDED MARCH 31, 2021**

APPENDIX A

	Besikoh Fuel Limited Partnership	Nazko Economic Development Corp.	Nazko Logging Limited Partnership	Nazko Silviculture LLP	Ndazkhot'en Forest Management Ltd.	Ndazkhot'en Holdings Ltd.	Ndazkhot'en Properties Ltd.	Three Nations Store and Lodge Limited Liability Partnership	Total 2021
Assets									
Financial assets	\$ 589	\$ 4,842	\$ 4,357	\$ 62,432	\$ 338,813	\$ 16,068	\$ -	\$ 33,572	\$ 460,673
Tangible capital assets	-	1,959	190,915	141,955	-	336,161	147,763	445,360	1,264,113
Other assets	-	787,085	-	928	-	-	-	3,085	791,098
Total Assets	\$ 589	\$ 793,886	\$ 195,272	\$ 205,315	\$ 338,813	\$ 352,229	\$ 147,763	\$ 482,017	\$ 2,515,884
Liabilities									
Debt	\$ 3,971	\$ 3,815,671	\$ 132,793	\$ 13,421	\$ 5,301	\$ 17,720	\$ 1,623	\$ 26,035	\$ 4,016,535
Contributed surplus	-	-	-	-	330,725	-	-	-	330,725
(Deficit) Equity	(3,382)	(3,345,340)	62,479	247,121	(1,613)	(47,142)	(40,803)	455,982	(2,672,698)
Total liabilities and equity	\$ 589	\$ 470,331	\$ 195,272	\$ 260,542	\$ 334,413	\$ (29,422)	\$ 73,233	\$ 482,017	\$ 1,786,975
External related party loans									
Inter-entty loans	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Nazko First Nation advances	-	(323,555)	-	55,227	-	24,069	-	-	(244,259)
Related party loans	\$ -	\$ (323,555)	\$ -	\$ 55,227	\$ (4,400)	\$ (381,651)	\$ (74,530)	\$ -	\$ (728,909)
Revenue	\$ 85,970	\$ (1,952,329)	\$ 1,197,331	\$ 374,253	\$ 6,074	\$ 360,661	\$ 1,278	\$ 433,976	\$ 507,214
Expenses									
Amortization	10,454	789	-	60,591	-	10,975	-	26,738	109,547
Interest and bank charges	3,442	17,567	73,469	251	72	1,844	-	3,920	100,565
Other expenses	5,512	135,385	371,187	228,392	6,920	89,932	6,926	161,024	1,005,278
Corporate income tax (recovery)	-	-	-	-	-	-	-	-	-
Total expenses	19,408	153,741	444,656	289,234	6,992	102,751	6,926	191,682	1,215,390
Net (loss) income	\$ 66,562	\$ (2,106,070)	\$ 752,675	\$ 85,019	\$ (918)	\$ 257,910	\$ (5,648)	\$ 242,294	\$ (708,176)
Nazko Economic Development Corp., General partner	\$ 8	\$ -	\$ 75	\$ 85	\$ -	\$ -	\$ -	\$ 241	\$ 409
Gain on disposal of tangible capital assets	-	-	25,064	-	-	-	-	-	25,064
Nazko First Nation, Limited partner	66,554	(2,106,070)	752,600	84,934	(918)	257,910	(5,648)	242,053	(708,585)
	\$ 66,562	\$ (2,106,070)	\$ 777,739	\$ 85,019	\$ (918)	\$ 257,910	\$ (5,648)	\$ 242,294	\$ (683,112)

**NAZKO FIRST NATION
TANGIBLE CAPITAL ASSETS
YEAR ENDED MARCH 31, 2021**

APPENDIX B

	COST				ACCUMULATED AMORTIZATION				NET BOOK VALUE
	Opening Balance	Additions	Disposals	Balance End of Year	Opening Balance	Amortization	Disposals	Balance End of Year	2021
Computer equipment	\$ 222,201	\$ -	\$ -	\$ 222,201	\$ 181,491	\$ 3,920	\$ -	\$ 185,411	\$ 36,790
Infrastructure	14,034,772	94,845	1,857	14,127,760	4,635,053	510,918	1,506	5,144,465	8,983,295
Logging equipment	1,661,105	-	396,951	1,264,154	1,249,151	41,306	119,466	1,170,991	93,163
Mobile and construction equipment	2,720,063	-	60,600	2,659,463	1,468,850	133,290	52,235	1,549,905	1,109,558
Mobile homes	624,528	-	-	624,528	464,438	9,605	-	474,043	150,485
Office equipment	351,533	-	-	351,533	351,427	106	-	351,533	-
Recreational infrastructure	302,623	-	-	302,623	226,947	7,568	-	234,515	68,108
Site improvements	189,936	-	-	189,936	155,230	6,941	-	162,171	27,765
Land	255,315	-	-	255,315	-	-	-	-	255,315
	\$ 20,362,076	\$ 94,845	\$ 459,408	\$ 19,997,513	\$ 8,732,587	\$ 713,654	\$ 173,207	\$ 9,273,034	\$ 10,724,479

	COST				ACCUMULATED AMORTIZATION				NET BOOK VALUE
	Opening Balance	Additions	Disposals	Balance End of Year	Opening Balance	Amortization	Disposals	Balance End of Year	2020
Computer equipment	\$ 222,201	\$ -	\$ -	\$ 222,201	\$ 176,344	\$ 5,147	\$ -	\$ 181,491	\$ 40,710
Infrastructure	12,833,715	1,385,402	184,345	14,034,772	4,223,818	411,235	-	4,635,053	9,399,719
Logging equipment	3,925,471	-	2,264,366	1,661,105	2,925,046	176,505	1,852,400	1,249,151	411,954
Mobile and construction equipment	2,693,836	307,442	281,215	2,720,063	1,319,234	149,616	-	1,468,850	1,251,213
Mobile homes	624,528	-	-	624,528	454,219	10,219	-	464,438	160,090
Office equipment	351,533	-	-	351,533	318,487	32,940	-	351,427	106
Recreational infrastructure	302,623	-	-	302,623	218,538	8,409	-	226,947	75,676
Site improvements	189,936	-	-	189,936	146,554	8,676	-	155,230	34,706
Land	255,315	-	-	255,315	-	-	-	-	255,315
	\$ 21,399,158	\$ 1,692,844	\$ 2,729,926	\$ 20,362,076	\$ 9,782,240	\$ 802,747	\$ 1,852,400	\$ 8,732,587	\$ 11,629,489