

**NAZKO FIRST NATION
CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2023**

**NAZKO FIRST NATION
CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2023**

<u>INDEX</u>	<u>PAGE</u>
Management's Responsibility for the Consolidated Financial Statements	3
Independent Auditor's Report	4-5
Consolidated Statement of Financial Position	6
Consolidated Statement of Operations	7
Consolidated Statement of Changes in Net Financial Assets	8
Consolidated Statement of Cash Flows	9
Notes to the Consolidated Financial Statements	10-24
Segment Disclosure	25-27
Appendix A - Government Business Entities - Condensed Financial Information	28
Appendix B - Tangible Capital Assets	29



PO Box 4129, Quesnel, British Columbia V2J 3J2
Tel: (250) 992-9085 Fax: (250) 992-7982

MANAGEMENT'S RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The accompanying consolidated financial statements of Nazko First Nation (Nation) are the responsibility of management and have been prepared in accordance with Canadian public sector accounting standards. A summary of the significant accounting policies are described in Note 1 to the consolidated financial statements. The preparation of consolidated financial statements necessarily involves the use of estimates based on management's judgment, particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods.

The Nation's management maintains a system of internal controls designed to provide reasonable assurance that assets are safeguarded, transactions are properly authorized and recorded in compliance with legislative and regulatory requirements, and reliable financial information is available on a timely basis for preparation of the consolidated financial statements. These systems are monitored and evaluated by management.

Chief and Council meet with management and the external auditors to review the consolidated financial statements and discuss any significant financial reporting or internal control matters prior to their approval of the consolidated financial statements.

The consolidated financial statements have been audited by Brent Bursey & Company Inc., independent external auditors appointed by the Nation. The accompanying Independent Auditor's Report outlines their responsibilities, the scope of their examination and their opinion on the Nation's consolidated financial statements.

Deahn Stump
Chief

Dolores Alice
Councillor


Councillor

INDEPENDENT AUDITOR'S REPORT

To Members of Nazko First Nation:

Opinion

We have audited the consolidated financial statements of Nazko First Nation (Nation), which comprise the consolidated statement of financial position as at March 31, 2023, and the consolidated statement of operations, consolidated statement of changes in net financial assets and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Nation as at March 31, 2023, and the consolidated results of operations, changes in consolidated net financial assets 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 auditor's report. We are independent of the 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 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 the Nation's financial reporting process.

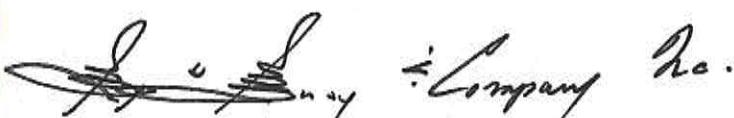
Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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 the 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 Nation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the 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 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 are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



Chartered Professional Accountants

March 27, 2024
Prince George, British Columbia

NAZKO FIRST NATION
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2023

	2023	2022
FINANCIAL ASSETS		
Cash	\$ 5,252,727	\$ 8,032,510
Accounts receivable (Note 2)	3,310,605	863,638
Restricted cash (Note 3)	469,452	489,885
Inventory (Note 4)	21,694	16,769
Investments (Note 5)	4,962	1,302
Ottawa trust funds (Note 6)	<u>25,055</u>	<u>23,408</u>
	<u>9,084,495</u>	<u>9,427,512</u>
LIABILITIES		
Bank indebtedness (Note 7)	3,138,050	3,430,029
Accounts payable and accrued liabilities (Note 8)	1,462,317	957,856
Accrued silviculture liabilities (Note 9)	330,725	330,725
Deferred revenue (Note 10)	683,936	3,507,803
Long-term debt (Note 11)	<u>450,257</u>	<u>434,921</u>
	<u>6,065,285</u>	<u>8,661,334</u>
NET FINANCIAL ASSETS	<u>3,019,210</u>	<u>766,178</u>
NON-FINANCIAL ASSETS		
Tangible capital assets (Note 12)	13,668,314	9,256,575
Prepaid expenditures	-	4,711
	<u>13,668,314</u>	<u>9,261,286</u>
ACCUMULATED SURPLUS	<u>\$ 16,687,524</u>	<u>\$ 10,027,464</u>
CONTINGENT LIABILITIES (Note 13)		

Approved on behalf of Nazko First Nation:

Frank Stump Chief

Octaves Alec Councillor

Anthony J Councillor

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

NAZKO FIRST NATION
CONSOLIDATED STATEMENT OF OPERATIONS
YEAR ENDED MARCH 31, 2023

	Budget	2023	2022
REVENUE			
Indigenous Services Canada	\$ 3,888,064	\$ 3,763,845	\$ 2,795,070
First Nations Health Authority	1,219,485	1,219,045	1,180,258
Canada Mortgage and Housing Corporation	140,000	30,740	3,524,771
Province of British Columbia	2,692,264	2,697,916	911,931
BC First Nations Gaming	365,206	477,551	201,435
Cariboo Chilcotin Aboriginal Training			
Employment Centre	57,134	57,134	39,054
First Nations Education Steering Committee	36,081	10,130	6,268
Own Source	824,504	1,269,672	1,394,702
Administration fee	240,856	227,340	219,842
Interest, rent and other	323,069	537,423	303,099
Ottawa trust funds	-	1,646	1,333
Income from government business			
entities - Appendix A	-	74,109	1,759,333
Decrease (increase) in deferred revenue	-	2,811,901	(3,495,837)
	<u>9,786,663</u>	<u>13,178,452</u>	<u>8,841,259</u>
EXPENDITURE			
Economic development	1,151,307	1,213,019	408,397
Education	271,494	435,092	363,706
Employment and training	93,293	71,058	56,498
Government development and administration	592,248	679,101	777,334
Health services	1,350,041	1,360,777	1,296,474
Housing	-	40,068	28,817
Lands and resource management	383,615	438,688	351,488
Public works operations and maintenance	722,757	316,432	1,007,247
Social and community services	1,509,734	785,394	718,820
Loss on disposal of tangible capital assets	-	37,745	23,460
Expenses from government business			
entities - Appendix A	-	247,750	1,832,273
Bad debts government business entities	-	246,299	-
Impairment on leased equipment	-	-	163,800
Interest	103,650	19,967	7,206
Amortization	-	627,002	594,415
	<u>6,178,139</u>	<u>6,518,392</u>	<u>7,629,935</u>
ANNUAL SURPLUS	<u>\$ 3,608,524</u>	<u>6,660,060</u>	<u>1,211,324</u>
ACCUMULATED SURPLUS, BEGINNING OF YEAR		<u>10,027,464</u>	<u>8,816,140</u>
ACCUMULATED SURPLUS, END OF YEAR		<u>\$ 16,687,524</u>	<u>\$ 10,027,464</u>

NAZKO FIRST NATION

CONSOLIDATED STATEMENT OF CHANGES IN NET FINANCIAL ASSETS

YEAR ENDED MARCH 31, 2023

	Budget	2023	2022
Annual surplus	<u>\$ 3,608,525</u>	\$ 6,660,060	\$ 1,211,324
Acquisition of tangible capital assets	-	(5,167,640)	(121,590)
Amortization	-	627,002	594,415
Loss on disposal of tangible capital assets	-	37,745	23,460
Proceeds on disposal of tangible capital assets	-	91,154	807,819
Impairment on leased equipment	-	-	163,800
		(4,411,739)	1,467,904
Use of prepaid expenditures	-	4,711	5,364
INCREASE IN NET FINANCIAL ASSETS	<u>\$ 3,608,525</u>	2,253,032	2,684,592
NET FINANCIAL ASSETS (DEBT), BEGINNING OF YEAR		766,178	(1,918,414)
NET FINANCIAL ASSETS, END OF YEAR		<u>\$ 3,019,210</u>	<u>\$ 766,178</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, 2023

	2023	2022
OPERATING ACTIVITIES		
Annual surplus	\$ 6,660,060	\$ 1,211,324
Items not involving cash		
Amortization	627,002	594,415
Loss on disposal of tangible capital assets	37,745	23,460
Impairment on leased equipment	-	163,800
Loss from government business entities	<u>173,641</u>	236,740
	7,498,448	2,229,739
Cash provided by (used in) operating activities		
Accounts receivable	(2,446,967)	(433,615)
Inventory	(4,925)	(12,569)
Ottawa trust funds	(1,646)	(1,333)
Prepaid expenditures	4,711	5,365
Accounts payable and accrued liabilities	<u>504,461</u>	(211,911)
Deferred revenue	<u>(2,823,867)</u>	3,495,837
	<u>2,730,215</u>	5,071,513
CAPITAL ACTIVITIES		
Acquisition of tangible capital assets	(5,167,640)	(121,590)
Proceeds on disposal of tangible capital assets	<u>91,154</u>	807,819
	<u>(5,076,486)</u>	686,229
FINANCING ACTIVITIES		
Repayment of long-term debt	(54,160)	(58,040)
Proceeds of long-term debt	69,496	-
Repayment under obligation under capital lease	-	(474,340)
	<u>15,336</u>	(532,380)
INVESTING ACTIVITIES		
Advances to government business entities	(173,641)	(236,740)
Patronage equity	<u>(3,661)</u>	<u>57,034</u>
	<u>(177,302)</u>	(179,706)
(DECREASE) INCREASE IN CASH DURING YEAR	<u>(2,508,237)</u>	5,045,656
CASH, BEGINNING OF YEAR	<u>5,092,366</u>	46,710
CASH, END OF YEAR	<u>\$ 2,584,129</u>	<u>\$ 5,092,366</u>
Cash consists of:		
Cash	\$ 5,252,727	\$ 8,032,510
Bank indebtedness	(3,138,050)	(3,430,029)
Restricted cash	<u>469,452</u>	<u>489,885</u>
	<u>\$ 2,584,129</u>	<u>\$ 5,092,366</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, 2023

NATURE OF OPERATIONS

Nazko First Nation (Nation) provides local government, education and training, health services and social development services to its members and was established under the Indian Act (Canada).

1. 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, and liabilities:

- Nazbec Limited Partnership
- Nazbec Wood Processing Ltd.

NAZKO FIRST NATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2023

1. SIGNIFICANT ACCOUNTING POLICIES, continued

Asset Classification

The 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 the 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.

Inventory

Inventory consists of goods available for sale and is valued at the lower of cost and net realizable value using the average cost method.

Net Financial Assets

The Nation's consolidated financial statements are presented to highlight net financial assets as the measurement of financial position. The net financial assets are determined by the 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, 2023

1. 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 Canada Mortgage and Housing Corporation (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 assets when they occur.

All intangible assets and items inherited by the right of the 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, 2023

1. 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, 2023

1. 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 consolidated 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 the Nation is responsible for. Silviculture liabilities are based on the best information available regarding the potential liability that the 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, the 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, 2023.

The Nation reviews the carrying amount of the liability annually. Any revisions required previously recognized amounts are accounted for in the period revisions are made. The 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, 2023.

NAZKO FIRST NATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2023

2. ACCOUNTS RECEIVABLE

	2023	2022
Government		
Receiver General - Goods and services tax	\$ 35,143	\$ 16,497
Indigenous Services Canada	<u>-</u>	<u>122,647</u>
	35,143	139,144
Trade receivables		
Nazko First Nation members	3,285,031	720,704
	<u>105,624</u>	<u>113,322</u>
	3,425,798	973,170
Less: allowance for doubtful accounts	<u>(115,193)</u>	<u>(109,532)</u>
	<u>\$ 3,310,605</u>	<u>\$ 863,638</u>

3. RESTRICTED CASH

	2023	2022
Restricted cash consists of:		
Replacement Reserve	\$ 94,008	\$ 94,065
Operations Reserve	42,533	66,984
Treaty Negotiations	1,309	1,345
Ministry of Forests	<u>331,602</u>	<u>327,491</u>
	<u>\$ 469,452</u>	<u>\$ 489,885</u>

Replacement Reserve

Under the terms of the agreement with CMHC the Replacement Reserve account is to be credited \$6,000 (2022 - \$6,000) for Phase II and \$2,000 (2022 - \$2,000) for Phase III. The funds in the account may only be used as approved by CMHC. Withdrawals are credited to interest first and then principal. 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. At year end, the Replacement Reserve has unfunded reserves of \$7,975 (2022 - \$8,032) and is in technical default with the CMHC agreement.

NAZKO FIRST NATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2023

3. RESTRICTED CASH, continued

Operations Reserve

Under the terms of the agreement with CMHC, subsequent to 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. The Program's Operations Reserve 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. 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 to by the Nation and CMHC. At year end, the Operations Reserve has unfunded reserves of \$18,818 (2022 - \$20,067) and is in technical default with the CMHC agreement.

Treaty Negotiations

Treaty Negotiations cash is restricted for expenditures as related to the 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

2023 2022

Three Nations Store and Lodge Limited Liability Partnership		
Groceries, hardware and household items	\$ 21,694	\$ 16,769

5. INVESTMENTS

2023 2022

Four Rivers Co-operative, equity	\$ 4,961	\$ 1,301
BC First Nations Gaming Revenue Sharing		
Limited Partnership	1	1
	\$ 4,962	\$ 1,302

NAZKO FIRST NATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2023

6. OTTAWA TRUST FUNDS

	Revenue	Capital	Total 2023	Total 2022
Balance, beginning of year	\$ 19,661	\$ 3,747	\$ 23,408	\$ 22,076
Interest	738	-	738	433
BC Special	909	-	909	899
Balance, end of year	<u>\$ 21,308</u>	<u>\$ 3,747</u>	<u>\$ 25,055</u>	<u>\$ 23,408</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

	2023	2022
Bank of Montreal Nazko Economic Development Corp	<u>\$ 3,138,050</u>	<u>\$ 3,430,029</u>

The Nation's credit facility includes a revolving line of credit authorized to \$300,000, bearing interest at prime plus 0.5% (March 31, 2023 - 7.2%), 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, 2023 - 7.95%), secured by a general security agreement, registered mortgage over property and guarantees from the Nation and Nation-owned entities.

8. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2023	2022
Trade payables	\$ 1,262,085	\$ 759,417
Government remittances payable	17,901	22,196
Wages and benefits payable	33,736	32,164
Accrued liabilities	<u>148,595</u>	<u>144,079</u>
	<u>\$ 1,462,317</u>	<u>\$ 957,856</u>

NAZKO FIRST NATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2023

9. ACCRUED SILVICULTURE LIABILITIES

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

10. DEFERRED REVENUE

	2023	2022
Indigenous Services Canada		
ISC - Q3B1 - ICMS #9-00130164 - ACRS road top-up	\$ 56,793	\$ 56,793
ISC - Q3TE - ICMS #9-00130279 - IR2 Infrastructure	234,506	-
ISC - Q38M - ICMS #9-00129996 - Major renos, extensions and repairs	-	38,357
Canadian Mortgage and Housing Corporation	-	3,412,653
Other		
Agri-Food Canada/ First Peoples' New Relationship Trust	260,893 131,744	-
	<hr/> <u>\$ 683,936</u>	<hr/> <u>\$ 3,507,803</u>

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

11. LONG-TERM DEBT

	2023	2022
All Nations Trust Company		
Mortgage repayable in monthly instalments of \$2,873 for nine months, including interest at 1.31% per annum and \$2,910 in January, February and March, including interest 1.57% per annum, secured by a Government of Canada ministerial guarantee, due to renew in December 2026	\$ 285,351	\$ 315,546
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	110,410	119,375
Balance forward	<hr/> <u>\$ 395,761</u>	<hr/> <u>\$ 434,921</u>

NAZKO FIRST NATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2023

11. LONG-TERM DEBT

	2023	2022
Balance forward	\$ 395,761	\$ 434,921
Four Rivers Co-operative Association		
Loan repayable in annual equity cheques of \$3,950		
non-interest bearing due to mature May 2032	<u>54,496</u>	-
	<u><u>\$ 450,257</u></u>	<u><u>\$ 434,921</u></u>

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

2024	\$ 44,317
2025	44,449
2026	236,680
2027	13,709
2028	13,920
Subsequent	<u>97,182</u>
	<u><u>\$ 450,257</u></u>

12. TANGIBLE CAPITAL ASSETS (Appendix B)

	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Computer equipment	\$ 223,433	\$ 194,587	\$ 28,846	\$ 30,176
Infrastructure	17,997,535	5,936,117	12,061,418	7,664,593
Logging equipment	1,246,339	1,202,999	43,340	61,913
Mobile and construction equipment	2,734,398	1,676,338	1,058,060	1,019,613
Mobile homes	624,528	491,559	132,969	141,456
Office equipment	368,676	353,247	15,429	-
Recreational infrastructure	302,623	247,456	55,167	61,297
Site improvements	<u>189,936</u>	<u>172,166</u>	<u>17,770</u>	<u>22,212</u>
	<u><u>23,687,468</u></u>	<u><u>10,274,469</u></u>	<u><u>13,412,999</u></u>	<u><u>9,001,260</u></u>
Land	<u>255,315</u>	<u>-</u>	<u>255,315</u>	<u>255,315</u>
	<u><u>\$ 23,942,783</u></u>	<u><u>\$ 10,274,469</u></u>	<u><u>\$ 13,668,314</u></u>	<u><u>\$ 9,256,575</u></u>

NAZKO FIRST NATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2023

13. CONTINGENT LIABILITIES

The 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.

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

In addition, in the normal course of operations, the 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.

14. RECONCILIATION OF ISC FUNDING AGREEMENT REVENUE

Pursuant to the Indigenous Services Canada (“ISC”) Financial Reporting Requirements for the fiscal period 2022 - 2023, the following reconciliation has been prepared:

Recipient total, as per 2022/2023 ISC funding confirmation	\$ 3,763,845
Variance	_____
ISC revenue, as per consolidated statement of operations	<u>\$ 3,763,845</u>

NAZKO FIRST NATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2023

15. GOVERNMENT TRANSFERS

	2023			2022		
	<u>Operating</u>	<u>Capital</u>	<u>Total</u>	<u>Operating</u>	<u>Capital</u>	<u>Total</u>
Federal government transfers:						
Indigenous Services Canada	\$ 2,732,470	\$ 1,031,375	\$ 3,763,845	\$ 2,664,484	\$ 130,586	\$ 2,795,070
Canada Mortgage and Housing Corporation	30,740	-	30,740	30,447	3,494,324	3,524,771
	2,763,210	1,031,375	3,794,585	2,694,931	3,624,910	6,319,841
Provincial government transfers	2,697,916	-	2,697,916	911,931	-	911,931
First Nations Health Authority	1,219,045	-	1,219,045	1,180,258	-	1,180,258
	\$ 6,680,171	\$ 1,031,375	\$ 7,711,546	\$ 4,787,120	\$ 3,624,910	\$ 8,412,030

16. 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 \$22,167 (2022 - \$10,434) 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.

The Nation received contract services of \$146,704 (2022 - \$174,206) from Nazko Silviculture Limited Liability Partnership in the normal course of operations. The amount is measured at the exchange amount which is determined and agreed between the related party.

The Nation paid rent of \$68,736 (2022 - \$57,480) to Ndazkhot'en Holdings Ltd. in the normal course of operations. The amount is measured at the exchange amount which is determined and agreed between the related party.

The Nation accommodation services and supplies of \$480 (2022 - \$41,205) from Three Nations Store and Lodge Limited Liability Partnership in the normal course of operations. The amount is measured at the exchange amount which is determined and agreed between the related party.

NAZKO FIRST NATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2023

17. 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.

18. 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 2022 and there is expected to be no substantive change in the next fiscal period.

19. SEGMENT DISCLOSURE

The 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:

**NAZKO FIRST NATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2023**

19. SEGMENT DISCLOSURE, continued

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, 2023

20. BUDGETED FIGURES

Budgets were not prepared for all segments and all departments in 2023. 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 the Nation.

21. COMPARATIVE FIGURES

Certain of the prior year's figures have been reclassified to conform to the current year's presentation.

NAZKO FIRST NATION
SEGMENT DISCLOSURE
YEAR ENDED MARCH 31, 2023

	ECONOMIC DEVELOPMENT				EDUCATION				EMPLOYMENT AND TRAINING				GOVERNMENT DEVELOPMENT AND ADMINISTRATION				HEALTH SERVICES			
	Budget	2023	2022	Budget	2023	2022	Budget	2023	2022	Budget	2023	2022	Budget	2023	2022	Budget	2023	2022		
REVENUE																				
Indigenous Services Canada	\$ 59,074	\$ 59,074	\$ 37,520	\$ 268,974	\$ 250,341	\$ 285,181	\$ -	\$ -	\$ -	\$ 328,907	\$ 328,907	\$ 513,325	\$ -	\$ 1,219,485	\$ 1,219,045	\$ -	\$ 1,180,258			
First Nations Health Authority	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-			
Canada Mortgage and Housing Corporation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-			
Province of British Columbia	2,371,316	2,371,316	855,375	-	-	-	-	-	-	-	-	-	-	-	-	86,556	88,208	56,556		
BC First Nations Gaming	365,206	477,551	201,435	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Cariboo Chilcotin Aboriginal Training Employment Centre	-	-	-	-	-	-	-	57,134	57,134	39,054	-	-	-	-	-	-	-			
First Nations Education Steering Committee	-	-	-	-	-	-	-	36,081	10,130	6,268	-	-	-	-	-	-	-			
Own Source	349,938	157,000	1,394,702	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Administration fee	-	-	63,798	-	-	-	-	-	-	-	-	-	240,856	227,340	156,044	-	-	-		
Interest, rent and other	163,549	172,179	182,681	-	6,355	-	79	79	-	5,589	153,480	39,926	44,000	44,886	12,702	-	-	-		
Ottawa trust funds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-			
Income from government business entities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-			
(Increase) decrease in deferred revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-			
TOTAL REVENUE	3,309,083	3,237,120	2,735,511	268,974	256,696	285,181	93,294	67,343	45,322	575,352	709,727	709,295	1,350,041	1,352,139	1,249,516					
EXPENDITURE																				
Administration	11,307	15,103	2,295	16,961	2,937	28,104	5,043	2,434	313	6,402	4,690	20,818	108,556	96,013	98,766	-	-	-		
Allowance	-	-	-	-	112,776	281,048	170,860	-	-	-	-	-	-	-	-	-	-	-		
Amortization and interest	100,000	-	-	-	-	-	-	-	-	-	-	-	12,788	-	-	300	-	-		
Consulting and contract services	82,139	251,262	88,867	-	-	-	-	-	-	-	6,430	31,565	11,466	59,131	9,309	73,500	-	-		
Equipment purchase	-	123,121	-	-	-	-	-	-	-	-	-	-	-	-	-	7,715	-	-		
Honoraria, allowances and donations	100,000	178,352	2,450	-	-	-	-	-	-	-	-	-	1,700	117,600	6,240	3,285	7,420	-		
Insurance, licences and fees	143,000	74,858	32,700	-	-	-	-	-	-	-	2,350	1,657	300	21,037	22,636	18,483	-	-		
Materials and supplies	114,084	138,008	15,687	45,563	61,671	77,683	4,285	20,100	289	10,000	42,542	48,360	183,116	232,898	196,530	-	-	-		
Office	11,810	13,538	43,651	148	-	-	527	39	417	8,400	37,548	16,971	26,095	14,572	6,452	-	-	-		
Professional fees	288,676	206,063	19,647	-	-	6,000	20,079	3,694	-	34,804	6,644	37,625	48,662	59,545	12,764	-	-	-		
Repairs and maintenance	-	45,005	47,703	-	-	-	-	-	-	50,000	286	-	16,248	3,796	23,688	-	-	-		
Telephone and utilities	-	14,982	4,178	-	-	-	-	-	-	10,000	16,808	20,189	38,659	33,440	40,422	-	-	-		
Travel and accommodations	147,969	120,690	28,969	16,083	18,434	23,000	714	276	95	46,663	50,387	41,634	133,280	176,304	83,569	-	-	-		
Wages and benefits	222,697	127,321	127,012	15,718	19,880	49,479	62,645	44,515	55,384	407,629	464,458	447,516	623,626	643,130	663,976	-	-	-		
Workshops, meetings and training	16,625	23,668	-	-	530	-	-	-	-	-	-	1,100	-	33,938	24,488	27,884	-	-		
Expenses from government business entities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Other	13,000	4,169	(4,762)	64,244	50,592	8,580	-	-	-	16,000	19,716	14,855	51,453	41,361	43,020	-	-	-		
TOTAL EXPENDITURE	1,251,307	1,336,140	408,397	271,493	435,092	363,706	93,293	71,058	56,498	598,678	691,889	777,334	1,350,041	1,368,792	1,296,474					
ANNUAL (DEFICIT) SURPLUS	\$ 2,057,776	\$ 1,900,980	\$ 2,327,114	\$ (2,519)	\$ (178,396)	\$ (78,525)	\$ 1	\$ (3,715)	\$ (11,176)	\$ (23,326)	\$ 17,838	\$ (68,039)	\$ (16,653)	\$ (46,958)						

NAZKO FIRST NATION
SEGMENT DISCLOSURE
YEAR ENDED MARCH 31, 2023

	HOUSING						PUBLIC WORKS			LANDS AND RESOURCE MANAGEMENT			SOCIAL AND COMMUNITY SERVICES			OTHER		
	Budget	2023	2022	Budget	2023	2022	Budget	2023	2022	Budget	2023	2022	Budget	2023	2022	Budget	2023	2022
	REVENUE																	
Indigenous Services Canada	\$ -	\$ -	\$ -	\$ 380,108	\$ 380,108	\$ 380,108	\$ 487,442	\$ 487,442	\$ 205,208	\$ 205,208	\$ 205,208	\$ 485,216	\$ 1,483,832	\$ 1,483,832	\$ 855,800	\$ -	\$ -	
First Nations Health Authority	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Canada Mortgage and Housing Corporation	-	30,740	30,447	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Province of British Columbia	-	-	-	-	-	-	-	-	234,392	234,392	234,392	-	-	4,000	-	-	-	
BC First Nations Gaming	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Cariboo Chilcotin Aboriginal Training Employment Centre	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
First Nations Education Steering Committee	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Own Source	-	-	-	-	-	-	-	183,154	183,154	-	-	-	501,857	-	-	-	-	
Administration fee	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Interest, rent and other	3,650	48,250	44,400	3,500	3,500	7,539	100,000	100,000	102,900	-	2,702	1,500	6,432	-	-	-	-	
Ottawa trust funds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,646	1,333		
Income from government business entities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	74,614	1,759,333		
Increase in deferred revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
TOTAL REVENUE	3,650	78,990	74,847	383,608	383,608	494,981	722,754	725,654	485,216	1,486,534	2,016,189	862,232	-	76,260	1,760,666			
EXPENDITURE																		
Administration	-	-	-	34,337	28,531	697	8,839	-	12,700	68,860	69,809	49,841	-	-	-	-	-	
Advertising	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Amortization and interest	3,650	46,038	46,030	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Consulting and contract services	-	-	-	106,895	110,990	106,299	299,000	194,417	904,124	68,940	9,025	9,826	-	-	-	-	-	
Equipment purchase	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Honoraria, allowances and donations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Insurance, licences and fees	-	11,779	4,631	15,062	14,134	10,854	6,000	3,324	-	-	-	-	3,400	2,600	1,400	-	-	
Materials and supplies	-	-	-	44,240	64,316	98,855	203,319	22,561	49,717	349,036	125,525	110,775	-	-	-	-	-	
Office	-	-	-	1,300	1,305	1,355	-	-	-	10,180	1,203	-	-	-	-	-	-	
Professional fees	-	6,000	6,000	-	-	-	148,000	81,121	-	190,750	9,945	9,416	-	-	-	-	-	
Repairs and maintenance	-	-	-	60,276	64,579	24,445	-	1,623	-	2,819	-	14,109	-	-	-	-	-	
Telephone and utilities	-	3,599	-	29,482	25,639	18,489	-	380	-	39,892	27,223	-	-	-	-	-	-	
Travel and accommodations	-	-	-	11,790	6,396	402	8,357	6,160	2,018	49,621	16,502	24,181	-	-	-	-	-	
Wages and benefits	-	1,500	-	80,233	122,798	88,142	49,242	6,846	38,248	264,223	192,339	120,937	-	-	-	-	-	
Workshops, meetings and training	-	-	-	-	-	1,950	-	-	-	86,516	14,372	14,000	-	-	-	-	-	
Expenses from government business entities	-	-	-	-	-	-	-	-	-	-	-	-	-	247,750	2,019,533			
Other	-	17,190	18,186	-	-	-	-	-	440	375,497	316,851	363,110	-	246,299	-	-	-	
TOTAL EXPENDITURE	3,650	86,106	74,847	383,615	438,688	351,488	722,757	316,432	1,007,247	1,509,734	785,394	718,820	-	494,049	2,019,533			
ANNUAL (DEFICIT) SURPLUS	\$ -	\$ (7,116)	\$ -	\$ (7)	\$ (55,080)	\$ 143,493	\$ (3)	\$ 409,222	\$ (522,031)	\$ (23,200)	\$ 1,230,795	\$ 143,412	\$ -	\$ (417,789)	\$ (258,867)			

NAZKO FIRST NATION
SEGMENT DISCLOSURE
YEAR ENDED MARCH 31, 2023

	TANGIBLE CAPITAL ASSETS			TOTAL BEFORE ADJUSTMENTS			CONSOLIDATION ADJUSTMENTS			CONSOLIDATED TOTALS			
	Budget	2023	2022	Budget	2023	2022	Budget	2023	2022	Budget	2023	2022	
REVENUE													
Indigenous Services Canada	\$ 1,161,961	\$ 1,031,375	\$ 130,586	\$ 3,888,064	\$ 3,763,845	\$ 2,795,070	\$ -	\$ -	\$ 3,888,064	\$ 3,763,845	\$ 2,795,070		
First Nations Health Authority	-	-	-	1,219,485	1,219,045	1,180,258	-	-	1,219,485	1,219,045	1,180,258		
Canada Mortgage and Housing Corporation	140,000	-	3,494,324	140,000	30,740	3,524,771	-	-	140,000	30,740	3,524,771		
Province of British Columbia	-	-	-	2,692,264	2,697,916	911,931	-	-	2,692,264	2,697,916	911,931		
BC First Nations Gaming	-	-	-	365,206	477,551	201,435	-	-	365,206	477,551	201,435		
Cariboo Chilcotin Aboriginal Training Employment Centre	-	-	-	57,134	57,134	39,054	-	-	57,134	57,134	39,054		
First Nations Education Steering Committee	-	-	-	36,081	10,130	6,268	-	-	36,081	10,130	6,268		
Own Source	291,412	427,661	-	824,504	1,269,672	1,394,702	-	-	824,504	1,269,672	1,394,702		
Administration fee	-	-	-	240,856	227,340	219,842	-	-	240,856	227,340	219,842		
Interest, rent and other	-	-	-	323,069	533,129	293,680	-	4,294	9,419	323,069	537,423	303,099	
Ottawa trust funds	-	-	-	-	1,646	1,333	-	-	-	1,646	1,333		
Income from government business entities	-	-	-	-	74,614	1,759,333	-	(505)	-	74,109	1,759,333		
Increase in deferred revenue	-	-	-	-	-	-	-	2,811,901	(3,495,837)	-	2,811,901	(3,495,837)	
TOTAL REVENUE	1,593,373	1,459,036	3,624,910	9,786,663	10,362,762	12,327,677	-	2,815,690	(3,486,418)	9,786,663	13,178,452	8,841,259	
EXPENDITURE													
Administration	18,310	8,000	6,310	278,615	227,517	219,844	(18,310)	(8,000)	(6,310)	260,305	219,517	213,534	
Advertising	-	-	-	112,776	281,048	170,860	-	-	-	112,776	281,048	170,860	
Amortization and interest	-	-	-	103,650	59,126	46,030	-	587,842	555,591	103,650	646,968	601,621	
Consulting and contract services	1,132,184	2,664,349	96,550	1,754,719	3,270,917	1,290,632	(1,132,184)	(2,664,349)	(96,550)	622,535	606,568	1,194,082	
Equipment purchase	3,900	22,122	-	3,900	152,958	-	(3,900)	(152,958)	-	-	-	-	
Honoraria, allowances and donations	3,900	-	-	113,540	185,937	128,870	(3,900)	-	-	109,640	185,937	128,870	
Insurance, licences and fees	22,130	16,430	-	209,579	144,818	68,193	(22,130)	(16,430)	-	187,449	128,388	68,193	
Materials and supplies	140,198	67,965	-	1,093,841	775,586	597,896	(140,198)	(67,965)	-	953,643	707,621	597,896	
Office	-	-	-	58,460	68,205	68,846	-	-	-	58,460	68,205	68,846	
Professional fees	86,522	1,792,888	10,871	817,493	2,165,900	102,323	(86,522)	(1,792,888)	(10,871)	730,971	373,012	91,452	
Repairs and maintenance	150,000	129,763	-	279,343	245,052	109,945	(150,000)	(129,763)	-	129,343	115,289	109,945	
Telephone and utilities	22,521	22,853	-	140,554	144,924	83,278	(22,521)	(22,853)	-	118,033	122,071	83,278	
Travel and accommodations	4,776	265	-	419,253	395,414	203,868	(4,776)	(265)	-	414,477	395,149	203,868	
Wages and benefits	56,461	56,935	3,376	1,782,474	1,679,722	1,594,070	(56,461)	(56,935)	(3,376)	1,726,013	1,622,787	1,590,694	
Workshops, meetings and training	-	-	-	137,079	64,158	43,834	-	-	-	137,079	64,158	43,834	
Expenses from government business entities	-	-	-	-	247,750	2,019,533	-	-	-	-	247,750	2,019,533	
Other	-	-	-	520,194	696,178	443,429	-	37,745	-	520,194	733,923	443,429	
TOTAL EXPENDITURE	1,640,902	4,781,570	117,107	7,825,470	10,805,210	7,191,451	(1,640,902)	(4,286,819)	438,484	6,184,568	6,518,391	7,629,935	
ANNUAL (DEFICIT) SURPLUS	\$ (47,529)	\$ (3,322,534)	\$ 3,507,803	\$ 1,961,193	\$ (442,448)	\$ 5,136,226	\$ 1,640,902	\$ 7,102,509	\$ (3,924,902)	\$ 3,602,095	\$ 6,660,061	\$ 1,211,324	

	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 2023	Total 2022
Assets										
Financial assets	\$ -	\$ 66,644	\$ 67,417	\$ 615,736	\$ 345,661	\$ 36,110	\$ 1,000	\$ 54,214	\$ 1,186,782	\$ 573,282
Tangible capital assets	-	1,057	99,103	69,765	-	315,814	147,763	651,269	1,284,771	1,134,253
Other assets	-	247,061	-	928	-	-	-	4,034	252,023	304,414
Total Assets	\$ -	\$ 314,762	\$ 166,520	\$ 686,429	\$ 345,661	\$ 351,924	\$ 148,763	\$ 709,517	\$ 2,723,576	\$ 2,011,949
Liabilities										
Debt	\$ -	\$ 3,124,276	\$ 118,504	\$ 531,029	\$ 336,025	\$ 16,318	\$ 2,000	\$ 111,654	\$ 4,239,806	\$ 3,674,390
Contributed surplus	-	-	-	-	-	-	-	50,546	50,546	330,725
(Deficit) Equity	-	(3,954,308)	185,638	55,456	2,755	(64,037)	(43,095)	509,639	(3,307,952)	(3,318,771)
Total liabilities and equity	\$ -	\$ (830,032)	\$ 304,142	\$ 586,485	\$ 338,780	\$ (47,719)	\$ 71,318	\$ 671,839	\$ 1,094,813	\$ 798,757
Inter-entity loans	\$ -	\$ 68,389	\$ (137,622)	\$ 99,944	\$ -	\$ (68,390)	\$ -	\$ 37,678	\$ (1)	\$ 7,001
Nazko First Nation advances	-	1,076,405	-	-	6,881	468,033	77,445	-	1,628,764	(1,220,193)
Related party loans	\$ -	\$ 1,144,794	\$ (137,622)	\$ 99,944	\$ 6,881	\$ 399,643	\$ 77,445	\$ 37,678	\$ 1,628,763	\$ (1,213,192)
Revenue	\$ -	\$ 299,477	\$ 1,172,074	\$ 1,119,442	\$ 5,581	\$ 66,754	\$ 4,000	\$ 527,652	\$ 3,194,980	\$ 1,595,535
Expenses										
Amortization	-	402	36,843	29,741	-	9,944	-	26,386	103,316	128,509
Interest and bank charges	54	8,151	1,294	270	72	88	-	3,896	13,825	144,946
Other expenses	294	450,746	1,067,218	1,125,724	3,977	66,786	1,743	539,019	3,255,507	1,582,279
Total expenses	348	459,299	1,105,355	1,155,735	4,049	76,818	1,743	569,301	3,372,648	1,855,733
Net (loss) income	\$ (348)	\$ (159,822)	\$ 66,719	\$ (36,293)	\$ 1,532	\$ (10,064)	\$ 2,257	\$ (41,649)	\$ (177,668)	\$ (260,199)
Gain (loss) on disposal of tangible capital assets	\$ -	\$ -	\$ 505	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 505	\$ (23,460)
Nazko First Nation, Limited partner	(348)	(159,822)	66,214	(36,293)	1,532	(10,064)	2,257	(41,649)	(178,173)	(236,739)
	\$ (348)	\$ (159,822)	\$ 66,719	\$ (36,293)	\$ 1,532	\$ (10,064)	\$ 2,257	\$ (41,649)	\$ (177,668)	\$ (260,199)

	COST			ACCUMULATED AMORTIZATION			NET BOOK VALUE		
	Opening Balance	Additions	Disposals	Balance End of Year	Opening Balance	Amortization	Disposals	Balance End of Year	2023
Computer equipment	\$ 223,433	\$ -	\$ -	\$ 223,433	\$ 193,257	\$ 1,330	\$ -	\$ 194,587	\$ 28,846
Infrastructure	13,091,032	5,034,003	127,500	17,997,535	5,426,439	509,678	-	5,936,117	12,061,418
Logging equipment	1,246,339	-	-	1,246,339	1,184,426	18,573	-	1,202,999	43,340
Mobile and construction equipment	2,637,904	116,494	20,000	2,734,398	1,618,291	76,647	18,600	1,676,338	1,058,060
Mobile homes	624,528	-	-	624,528	483,072	8,487	-	491,559	132,969
Office equipment	351,533	17,143	-	368,676	351,533	1,714	-	353,247	15,429
Recreational infrastructure	302,623	-	-	302,623	241,326	6,130	-	247,456	55,167
Site improvements	189,936	-	-	189,936	167,724	4,442	-	172,166	17,770
Land	255,315	-	-	255,315	-	-	-	-	255,315
	\$ 18,922,643	\$ 5,167,640	\$ 147,500	\$ 23,942,783	\$ 9,666,068	\$ 627,001	\$ 18,600	\$ 10,274,469	\$ 13,668,314

	COST			ACCUMULATED AMORTIZATION			NET BOOK VALUE		
	Opening Balance	Additions	Disposals	Balance End of Year	Opening Balance	Amortization	Disposals	Balance End of Year	2022
Computer equipment	\$ 222,201	\$ 1,232	\$ -	\$ 223,433	\$ 185,411	\$ 7,846	\$ -	\$ 193,257	\$ 30,176
Infrastructure	14,127,760	117,106	1,153,834	13,091,032	5,144,465	451,111	169,137	5,426,439	7,664,593
Logging equipment	1,264,154	-	17,815	1,246,339	1,170,991	26,721	13,286	1,184,426	61,913
Mobile and construction equipment	2,659,463	3,250	24,809	2,637,904	1,549,905	87,342	18,956	1,618,291	1,019,613
Mobile homes	624,528	-	-	624,528	474,043	9,029	-	483,072	141,456
Office equipment	351,533	-	-	351,533	351,533	-	-	351,533	-
Recreational infrastructure	302,623	-	-	302,623	234,515	6,811	-	241,326	61,297
Site improvements	189,936	-	-	189,936	162,171	5,553	-	167,724	22,212
Land	255,315	-	-	255,315	-	-	-	-	255,315
	\$ 19,997,513	\$ 121,588	\$ 1,196,458	\$ 18,922,643	\$ 9,273,034	\$ 594,413	\$ 201,379	\$ 9,666,068	\$ 9,256,575