



**Lhoosk'uz Dene Nation
Financial Statements**

March 31, 2021

Lhoosk'uz Dene Nation

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For the year ended March 31, 2021

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Lhoosk'uz Dene Nation
MARCH 31, 2021

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The accompanying summary financial statements of Lhoosk'uz Dene Nation are the responsibility of management and have been approved by Chief and Council.

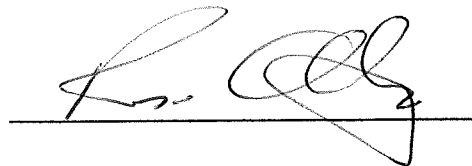
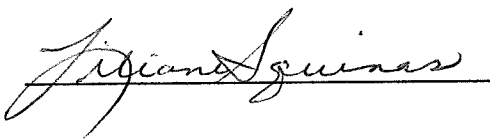
The summary financial statements have been prepared by management in accordance with Canadian public sector accounting standards prescribed for governments as recommended by the Public Sector Accounting Board of the Chartered Professional Accountants Canada and as such include amounts that are the best 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 controls to provide reasonable assurance that reliable financial information is produced.

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

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 summary financial statements and the external auditor's report.

The external auditors, Ribeyre Chang Haylock, conduct an independent examination, in accordance with Canadian auditing standards, and express their opinion on the summary financial statements. The external auditors have full and free access to financial management of Lhoosk'uz Dene Nation and meet when required.



INDEPENDENT AUDITOR'S REPORT

To: The Members of Lhoosk'uz Dene Nation

Report on the Audit of the Summary Financial Statements

Opinion

We have audited the summary financial statements of Lhoosk'uz Dene Nation, which comprise the summary statement of financial position as at March 31, 2021 and March 31, 2020, and the summary statements of remeasurement gains and losses, operations, net financial assets and cash flows for the years then ended, and notes to the summary financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Lhoosk'uz Dene Nation as at March 31, 2021 and March 31, 2020, and its financial performance and its cash flows for the year then ended in accordance with Canadian public sector accounting standards prescribed for governments as recommended by the Public Sector Accounting Board of the Canadian Institute of Chartered Professional Accountants.

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 Summary Financial Statements section of our report. We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



Responsibilities of Management and Those Charged with Governance for the Summary Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian public sector accounting standards prescribed for governments as recommended by the Public Sector Accounting Board of the Canadian Institute of Chartered Professional Accountants, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

Our objectives are to obtain reasonable assurance about whether the 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 financial statements. As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:



- Identify and assess the risks of material misstatement of the 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 Entity'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 Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
 - Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
 - Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group 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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The engagement partner on the audit resulting in this independent auditor's report is Jason Haylock, CPA, CA.

Port Coquitlam, B.C.
July 28, 2021

Ribeye Chang Haylock
Chartered Professional Accountants



Lhoosk'uz Dene Nation

SUMMARY STATEMENT OF FINANCIAL POSITION

As at March 31, 2021

Statement 1

	2021	2020
Financial assets		
Cash - Note 3	\$ 4,507,955	\$ 2,280,707
Marketable securities	2,802,576	1,123,163
Accounts receivable - Note 4	2,209,056	1,242,916
Investments - Note 5	4,577,196	3,827,144
Trust moneys - Note 6	49,437	48,330
	14,146,220	8,522,260
Financial liabilities		
Accounts payable and accrued liabilities	262,372	161,174
Government balances payable - Note 7	230,139	214,610
Deferred revenue - Note 8	2,756,545	554,894
	3,249,056	930,678
Net financial assets	10,897,164	7,591,582
Non-financial assets		
Tangible capital assets - Note 9	5,952,859	4,539,305
Prepaid expenses and deposits	97,189	46,736
	6,050,048	4,586,041
Accumulated surplus - Note 10	\$ 16,947,212	\$ 12,177,623
Accumulated surplus is comprised of:		
Accumulated operations surplus	\$ 16,447,110	\$ 13,054,460
Accumulated remeasurement gains (losses)	500,102	(876,837)
	\$ 16,947,212	\$ 12,177,623

See accompanying notes

On behalf of Chief and Council:




Lhoosk'uz Dene Nation
SUMMARY STATEMENT OF REMEASUREMENT
GAINS AND LOSSES

For the year ended March 31, 2021

Statement 2

	2021	2020
Accumulated remeasurement gains (losses), beginning of year	\$ (876,837)	\$ -
Unrealized gains (losses) attributable to:		
Marketable securities	1,659,094	(876,837)
Amounts reclassified to Summary Statement of Operations		
Marketable securities	(282,155)	-
Net remeasurement gains (losses) for the year	1,376,939	(876,837)
Accumulated remeasurement gains (losses), end of year	\$ 500,102	\$ (876,837)

See accompanying notes

Lhoosk'uz Dene Nation

SUMMARY STATEMENT OF OPERATIONS

For the year ended March 31, 2021

Statement 3

	2021 Budget	2021 Actual	2020 Actual
Revenue			
Operating Fund			
Indigenous Services Canada	\$ 3,089,704	\$ 2,309,723	\$ 1,471,674
(Recoveries) reimbursements		(97,216)	(130,055)
First Nations Health Authority	563,730	647,730	749,289
BC First Nations Gaming Revenue Sharing			
Limited Partnership	541,148	541,148	503,041
Cariboo Chilcotin Aboriginal Training			
Education Centre	-	21,656	25,540
Contribution from New Gold Inc. / Artemis Go	-	315,540	2,760,364
Economic initiatives	-	1,067	15,076
Province of British Columbia	-	128,964	119,306
First Nation Education Steering Committee	-	67,443	69,783
Natural Resources Canada	850,000	16,810	-
New Relationship Trust	300,000	95,423	-
Miscellaneous	174,816	235,414	202,514
Investment income	-	302,474	-
Trust Fund	-	1,107	1,306
Investment Fund	-	1,425,016	1,320,182
	5,519,398	6,012,299	7,108,020
Expenses - Note 13			
Operating Fund			
Local government services	176,426	467,538	432,460
Community infrastructure	236,021	207,572	307,529
Cultural services	-	-	7,095
Economic development	42,254	650,762	605,808
Education and training	131,414	399,019	494,503
Health	659,009	317,058	608,669
Social programs	347,631	283,175	370,974
Capital projects	1,517,136	294,525	199,031
	3,109,891	2,619,649	3,026,069
Annual operations surplus	2,409,507	3,392,650	4,081,951
Accumulated operations surplus, beginning of year		13,054,460	8,972,509
Accumulated operations surplus, end of year		\$ 16,447,110	\$ 13,054,460

See accompanying notes

Lhoosk'uz Dene Nation

SUMMARY STATEMENT OF NET FINANCIAL ASSETS

For the year ended March 31, 2021

Statement 4

	2021 Budget	2021 Actual	2020 Actual
Annual surplus	\$ 2,409,507	\$ 3,392,650	\$ 4,081,951
Changes in tangible capital assets			
Acquisition of tangible capital assets	(1,517,136)	(1,654,260)	(621,912)
Amortization of tangible capital assets	-	240,706	199,031
	(1,517,136)	(1,413,554)	(422,881)
Changes in other non-financial assets			
Prepaid expenses and deposits	-	(50,453)	(35,028)
	-	(50,453)	(35,028)
Net remeasurement gains (losses)	-	1,376,939	(876,837)
Increase in net financial assets	892,371	3,305,582	2,747,205
Net financial assets at beginning of year	7,591,582	7,591,582	4,844,377
Net financial assets at end of year	\$ 8,483,953	\$ 10,897,164	\$ 7,591,582

See accompanying notes

Lhoosk'uz Dene Nation

SUMMARY STATEMENT OF CASH FLOWS

For the year ended March 31, 2021

Statement 5

	2021	2020
OPERATING ACTIVITIES		
Revenue received	\$ 6,616,713	\$ 5,148,914
Expenses paid	(2,312,669)	(2,833,312)
Cash provided by operating activities	4,304,044	2,315,602
INVESTING ACTIVITIES		
Advances to investments	(422,536)	(762,252)
Purchase and construction of capital assets	(1,654,260)	(471,912)
Cash used in investing activities	(2,076,796)	(1,234,164)
Increase in cash during the year	2,227,248	1,081,438
Cash, beginning of year	2,280,707	1,199,269
Cash, end of year	\$ 4,507,955	\$ 2,280,707

See accompanying notes

Lhoosk'uz Dene Nation

NOTES TO FINANCIAL STATEMENTS

March 31, 2021

See Auditor's Report

1. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES

The Lhoosk'uz Dene Nation (First Nation) is located in Kluskus, British Columbia, and provides various services to its members.

These Summary Financial Statements have been prepared in accordance with Canadian public sector accounting standards for local government entities, as defined in the Canadian Institute of Chartered Professional Accountants Public Sector Accounting and Auditing Handbook, which encompasses the following principles.

a) Fund accounting

The Lhoosk'uz Dene Nation uses fund accounting procedures which result in a self-balancing set of accounts for each fund established by legal, contractual or voluntary actions. The various funds have been amalgamated for the purpose of presentation in the Summary Financial Statements. Details of the operations of each fund are set out in the supplementary schedules. The Lhoosk'uz Dene Nation maintains the following funds:

- The Operating Fund which reports the general activities of the First Nation administration,
- The Trust Fund which reports on trust funds owned by the First Nation and held by a third party,
- The Investment Fund which reports the Band's investments in related entities.

b) Reporting entity and principles of financial reporting

The Lhoosk'uz Dene Nation reporting entity includes the Lhoosk'uz Dene Nation and all related entities which are accountable to the First Nation and are either owned or controlled by the First Nation.

These financial statements consolidate the assets, liabilities and results of operations for the following entities which use accounting principles which lend themselves to consolidation:

- Lhoosk'uz Dene Nation Operating Fund,
- Lhoosk'uz Dene Nation Trust Fund,
- Lhoosk'uz Dene Nation Investment Fund.

All inter-fund balances have been eliminated on consolidation, but in order to present the results of operations for each specific fund, transactions amongst funds have not necessarily been eliminated on the individual schedules.

Investments in incorporated business entities and unincorporated business partnerships where the Lhoosk'uz Dene Nation does not significant influence or control are included in the summary financial statements using the cost method. These include:

- BCFN GRS GP Ltd. (nominal interest)
- BC First Nations Gaming Revenue Sharing Limited Partnership (nominal interest)
- Castle Mountain Hydro Ltd. (2.5% interest)

Lhoosk'uz Dene Nation

NOTES TO FINANCIAL STATEMENTS

March 31, 2021

See Auditor's Report

1. Continued ...

b) Reporting entity and principles of financial reporting

Investments in incorporated business entities and unincorporated business partnerships where the Lhoosk'uz Dene Nation has significant influence or control are included in the summary financial statements using the modified equity method. These include:

- Dene Development Corp. (33.3% interest)
- Lhoosk'uz Ulkatcho Holdings Limited Partnership (50% interest)
- Lhoosk'uz Development Group Limited Partnership (100% interest)
- Lhoosk'uz Management Ltd. (100% interest)
- 0886366 B.C. Ltd. (100% interest)
- Kluskus Management Holdings Ltd. (100% interest)

c) Financial assets

Financial assets are assets that could be used to discharge existing liabilities or finance future operations and are consumed in the normal course of operations. The indicator of financial assets is determined by deducting the financial liabilities of the Lhoosk'uz Dene Nation from its financial assets. Financial assets are primarily measured at historical cost, with the exception of marketable securities, which are measured at fair value.

d) Non-financial assets

Tangible capital assets and other non-financial assets are accounted for as assets by the Lhoosk'uz Dene Nation because they can be used to provide services in future periods. These assets do not normally provide resources to discharge the liabilities of the Lhoosk'uz Dene Nation unless they are sold.

e) Tangible capital assets

Tangible capital assets are valued at either cost or estimated cost and recorded in the Operating Fund.

The acquisition costs of tangible capital assets and payments on capital debt, which are not funded from capital financing sources, are charged to operations and matched with the applicable revenue source in the year of expenditure. These expenditures are also recorded as an addition to assets of the Operating Fund with a corresponding increase in Operating Fund - unrestricted equity.

Lhoosk'uz Dene Nation

NOTES TO FINANCIAL STATEMENTS

March 31, 2021

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1. Continued ...

f) Depreciation

Tangible capital assets are recorded and depreciated with a corresponding reduction in Equity in Fixed Assets. Tangible capital assets are depreciated over their expected useful life using the declining balance method at the following rates:

Computer equipment	30%
Furniture and equipment	20%
Infrastructure	4%
Mobile equipment	30%
Signage	20%

g) Revenue recognition

Revenue is recognized as it becomes receivable under the terms of applicable funding agreements. Funding received under funding arrangements that relate to a subsequent fiscal period is reflected as deferred revenue in the year of receipt and classified as such on the Statement of Financial Position.

h) Cash equivalents

Cash equivalents include short-term highly liquid investments that are cashable or have a term to maturity of 90 days or less at acquisition.

i) Use of estimates

The preparation of financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of revenues and expenditures during the reported period. Actual results could differ from the estimates.

j) Comparative figures

Certain of the prior year's comparative amounts have been reclassified where necessary to conform to the current year's presentation.

2. ECONOMIC DEPENDENCE

The Lhoosk'uz Dene Nation receives a major portion of its revenue pursuant to a funding arrangement with Indigenous Services Canada.

Lhoosk'uz Dene Nation

NOTES TO FINANCIAL STATEMENTS

March 31, 2021

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3. CASH

	2021	2020
Cash is comprised of the following:		
Cash and cash equivalents.	\$ 1,677,024	\$ 1,227,856
\$66,246 (2020 - \$65,917) guaranteed investment certificate with annual interest rate of 0.10%, maturing on January 25, 2022.	66,307	65,977
\$25,128 (2020 - \$37,692) guaranteed investment certificate with annual interest rate of 2.10%, maturing December 23, 2022.	25,272	37,909
\$13,688 (2020 - \$13,620) guaranteed investment certificate with annual interest rate of 0.50%, maturing December 23, 2021.	13,692	13,639
\$28,119 (2020 - \$27,500) guaranteed investment certificate with annual interest rate of 2.25%, maturing January 22, 2022.	28,119	27,619
\$150,000 guaranteed investment certificate with annual interest rate of 0.85%, maturing November 28, 2025.	150,433	-
\$200,000 guaranteed investment certificate with annual interest rate of 1.10%, maturing November 28, 2023.	200,747	-
\$250,000 guaranteed investment certificate with annual interest rate of 0.95%, maturing November 28, 2022.	250,807	-
\$322,506 guaranteed investment certificate with annual interest rate of 1.40%, maturing November 28, 2025.	324,040	-
\$1,200,000 guaranteed investment certificate with annual interest rate of 1.90%, maturing April 1, 2025.	1,222,753	-
\$541,000 guaranteed investment certificate with annual interest rate of 1.70%, maturing May 21, 2021.	548,761	-
Subtotal	4,507,955	1,373,000

Lhoosk'uz Dene Nation

NOTES TO FINANCIAL STATEMENTS

March 31, 2021

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3. CASH

	2021	2020
Balance forward	4,507,955	1,373,000
Guaranteed investment certificate.	-	907,707
Line of credit, authorized up to \$100,000, due on demand, with interest at the Bank's prime rate plus 1.5% and secured by a general security agreement over the First Nation's assets.	-	-
	\$ 4,507,955	\$ 2,280,707

4. ACCOUNTS RECEIVABLE

	2021	2020
Accounts receivable is comprised of the following:		
Band members' loans	\$ 5,709	\$ 5,709
Band members' loans' allowances	(5,709)	(5,709)
Indigenous Services Canada	210,712	30,630
Natural Resources Canada	807,500	-
Accrued receivable from wholly owned corporation	1,097,500	1,110,000
Other	120,621	130,396
Allowance for doubtful accounts	(27,277)	(28,110)
	\$ 2,209,056	\$ 1,242,916

Lhoosk'uz Dene Nation

NOTES TO FINANCIAL STATEMENTS

March 31, 2021

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5. INVESTMENTS

	2021	2020
Kluskus Management Holdings Ltd.		
Shares	\$ 200	\$ 200
Accumulated equity	(789)	(886)
Advances	3,684,595	2,558,958
	3,684,006	2,558,272
0886366 B.C. Ltd.		
Shares	100	100
Accumulated equity	(168,118)	(167,144)
Advances	435,308	452,912
	267,290	285,868
Lhoosk'uz Management Ltd.		
Shares	1	1
Accumulated equity	(10,730)	(9,359)
Advances	16,045	16,045
	5,316	6,687
Lhoosk'uz Development Group Limited Partnership		
Accumulated equity	475,736	766,483
Dene Development Corp. (a 33.3% interest)		
Shares	1	1
Advances	-	27,486
	1	27,487
Lhoosk'uz Ulkatcho Holdings Limited Partnership (a 50% interest)		
Advances	1,000	1,000
Castle Mountain Hydro Ltd. (a 2.5% interest)		
Shares	143,737	181,237
BCFN GRS GP Ltd. (a nominal interest)		
Shares	10	10
BC First Nations Gaming Revenue Sharing Limited Partnership (a nominal interest)		
Shares	100	100
	\$ 4,577,196	\$ 3,827,144

Lhoosk'uz Dene Nation

NOTES TO FINANCIAL STATEMENTS

March 31, 2021

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5. Continued...

Shares are held in trust on behalf of the band membership by certain band members under trust agreements.

Advances to related parties are unsecured, non-interest bearing, and have no stated terms of repayment.

Financial information for the controlled entities for their respective year ends is as follows:

	Assets	Liabilities	Revenue	Net Income (Loss)
0886366 B.C. Ltd.				
March 31, 2021	\$ 325,156	\$ 493,174	\$ 40,500	\$ (974)
Kluskus Management Holdings Ltd.				
March 31, 2021	\$ 4,782,506	\$4,783,095	\$ 1,103,363	\$ 97
Lhoosk'uz Management Ltd.				
March 31, 2021	\$ 80,406	\$ 91,135	\$ 258	\$ (1,371)
Lhoosk'uz Development Group Limited Partnership				
March 31, 2021	\$ 478,349	\$ 3,510	\$ 283,479	\$ 257,508

6. TRUST MONEYS

The Ottawa Trust accounts arise from moneys derived from capital or revenue sources as outlined in Section 62 of the Indian Act. These funds are held in trust in the Consolidated Revenue Fund of the Government of Canada and are subject to audit by the Office of the Auditor General of Canada. The management of these funds is primarily governed by Sections 63 to 69 of the Indian Act.

Lhoosk'uz Dene Nation

NOTES TO FINANCIAL STATEMENTS

March 31, 2021

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7. GOVERNMENT BALANCES PAYABLE

Included in government balances payable are the following recoveries (reimbursements) owing to (from) Indigenous Services Canada:

	2021	2020
Institutional Care	\$ 64,950	\$ 81,424
Basic Needs	(15,939)	(15,939)
Ancillary Support	-	1,838
Financial Assistance	-	856
Student Accommodation Services	94,716	27,041
Comprehensive Education Support	-	1,415
Language and Culture	-	3,585
ICMS 126073 Cultural Facility	-	41,615
Special Needs	10	10
Adult In-Home Care	7,184	4,684
	\$ 150,921	\$ 146,529

Lhoosk'uz Dene Nation

NOTES TO FINANCIAL STATEMENTS

March 31, 2021

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8. DEFERRED REVENUE

	2021	2020
Shelter deductions from next month's Social Development recipients	\$ 2,070	\$ 2,070
Southern Dakeelh Nation Alliance - Natural resources lead	100,000	-
Natural Resources Canada - Bioenergy	790,690	-
New Relationship Trust - Bioenergy	144,577	-
Union of BC Municipalities - Age-Friendly Communities	17,371	-
Union of BC Municipalities - Flood Risk Assessment	21,654	-
Indigenous Services Canada		
CPMS # 6021	132,848	552,824
ICMS #9-00118204	640,127	-
BCTEA school restart	20,208	-
O&M - education	12,393	-
O&M - water & wastewater	31,944	-
O&M - water & wastewater top-up	48,135	-
MTSA - water & wastewater top-up	7,715	-
Elementary & secondary education	372,945	-
Post-secondary education	44,743	-
Assisted living	95,818	-
Income assistance	48,681	-
Service delivery	5,106	-
Need base COVID	11,040	-
Special needs - COVID-19 supplement	10,500	-
Indigenous community support fund - COVID-19	104,060	-
Emergency management - COVID-19	8,435	-
Community based initiatives	85,485	-
	\$ 2,756,545	\$ 554,894

Lhoosk'uz Dene Nation

NOTES TO FINANCIAL STATEMENTS

March 31, 2021

See Auditor's Report

9. TANGIBLE CAPITAL ASSETS

	2021								2020	
	Beginning Cost	Additions	Disposals	Ending Cost	Beginning Accumulated Depreciation	Ending Accumulated Depreciation	Disposals	Ending Accumulated Depreciation	Net Book Value	Net Book Value
Computer equipment	\$ 136,702	\$ 4,579	\$ -	\$ 141,281	\$ 107,306	\$ 9,107	\$ -	\$ 116,413	\$ 24,868	\$ 29,396
Furniture and equipment	44,330	-	-	44,330	40,369	786	-	41,155	3,175	3,961
Infrastructure										
Buildings	2,639,119	18,249	-	2,657,368	755,578	75,707	-	831,285	1,826,083	1,883,541
School	1,566,101	16,041	-	1,582,142	904,389	26,789	-	931,178	650,964	661,712
Power and utilities	584,545	58,414	-	642,959	70,278	20,906	-	91,184	551,775	514,267
Roads	358,034	-	-	358,034	147,549	8,419	-	155,968	202,066	210,485
Water supply	1,492,875	1,491,866	-	2,984,741	339,797	75,961	-	415,758	2,568,983	1,153,078
Equipment	132,009	65,111	-	197,120	49,554	22,949	-	72,503	124,617	82,455
Signage	3,395	-	-	3,395	2,985	82	-	3,067	328	410
	\$ 6,957,110	\$ 1,654,260	\$ -	\$ 8,611,370	\$ 2,417,805	\$ 240,706	\$ -	\$ 2,658,511	\$ 5,952,859	\$ 4,539,305

Lhoosk'uz Dene Nation

NOTES TO FINANCIAL STATEMENTS

March 31, 2021

See Auditor's Report

10. ACCUMULATED SURPLUS

	2021	2020
RESTRICTED		
Opening balance	\$ 55,233	\$ 53,927
Net changes		
Operating Fund	-	-
Trust Fund	1,107	1,306
Closing balance	56,340	55,233
UNRESTRICTED		
Opening balance	12,122,390	8,918,582
Net changes		
Operating Fund	4,440,966	2,993,626
Investment Fund	327,516	210,182
Closing balance	16,890,872	12,122,390
TOTAL RESTRICTED AND UNRESTRICTED	\$ 16,947,212	\$ 12,177,623
Represented by:		
Operating Fund	\$ 14,814,169	\$ 11,750,142
Remeasurement gains (losses)	500,102	(876,837)
Trust Fund	49,437	48,330
Investment Fund	1,583,504	1,255,988
	\$ 16,947,212	\$ 12,177,623

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11. CONTINGENT LIABILITIES

In fiscal 2019, the First Nation entered into three forgivable loan agreements with Canada Mortgage and Housing Corporation (CMHC) under the Residential Rehabilitation Assistance Program, totalling \$125,000, for renovations to housing units owned by the First Nation. The forgivable loans are earned out over a 4 year period, with the conditions that the First Nation continues to own the housing units and that they are occupied by band members with a total household income at or below the income threshold set by CMHC during the 4 years. If the First Nation sells, transfers, or ceases to operate the properties before the maturity dates, the unearned forgivable loans plus interest will immediately become due and payable.

No liability has been recorded related to these forgivable loans, as the First Nation has continued to own and operate these housing units under the terms of their agreement with CMHC.

The details of the forgivable loans are as follows:

\$43,235 forgivable loan at an interest rate of 3.375%, with an interest adjustment date of January 1, 2019, earned out at a rate of \$901 per month, maturing January 1, 2023.

\$36,930 forgivable loan at an interest rate of 3.875%, with an interest adjustment date of January 1, 2019, earned out at a rate of \$769 per month, maturing January 1, 2023.

\$44,835 forgivable loan at an interest rate of 3.875%, with an interest adjustment date of February 1, 2019, earned out at a rate of \$934 per month, maturing February 1, 2023.

12. BUDGET INFORMATION

The budget information disclosed has been approved by the Lhoosk'uz Dene Nation Chief and Council. Individual program operations not showing budget information does not mean budgets were not prepared but rather that their amounts were not readily determined.

Budgeted figures are unaudited and have been derived from the estimates approved by Chief and Council for comparison purposes.

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13. CONSOLIDATED EXPENSES BY OBJECT

	2021	2020
Consolidated expenses by object		
Bad debts (recovery)	\$ (833)	\$ 22,685
Bank charges and interest	6,103	6,801
Contracts	386,718	337,481
Depreciation	240,706	199,031
Donations	11,388	17,864
Equipment rental	3,252	8,132
Freight and fuel	127,192	151,793
Honoraria	145,775	156,331
Insurance	24,572	21,965
Management fees	99,900	100,146
Medical travel	20,384	33,053
Office and miscellaneous	25,003	22,593
Professional fees	91,653	170,115
Rent	21,400	21,300
Repairs and maintenance	59,235	188,032
Social assistance	112,137	59,338
Special events	11,641	116,558
Student expenses	112,522	140,404
Supplies	238,315	311,017
Telephone	9,635	13,078
Travel	157,898	174,650
Tuition	19,328	19,726
Utilities	3,056	2,690
Wages and benefits	586,034	673,706
Workshops and training	19,873	57,580
	\$ 2,532,887	\$ 3,026,069

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14. RELATED PARTY TRANSACTIONS

The financial statements include the following transactions recorded at the exchange amount with related parties:

	2021	2020
0886366 B.C. Ltd. - controlled entity		
Rent paid	<u>\$ 21,300</u>	<u>\$ 21,300</u>
Kluskus Management Holdings Ltd. - controlled entity		
Management fees received	<u>\$ 1,097,500</u>	<u>\$ 1,110,000</u>
Carrier Chilcotin Tribal Council - related entity		
Income received	\$ -	\$ 10,000
Indian Registry Administration funding received	5,000	5,000
Fire Protection funding received	900	840
Travel and meeting reimbursements	124	840
	<u>\$ 6,024</u>	<u>\$ 16,680</u>

The First Nation is a member band of the Carrier Chilcotin Tribal Council. The Chief of the First Nation is a Director of the Tribal Council.

Southern Dakelh Nation Alliance Society - related entity		
Income received	\$ 141,200	\$ -
Travel and meeting reimbursements	-	125
	<u>\$ 141,200</u>	<u>\$ 125</u>

The First Nation is a member band of the Southern Dakelh Nation Alliance Society. The Chief of the First Nation is a Director of the Society.

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15. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Risk management policy

The Lhoosk'uz Dene Nation is exposed to various risks through its financial instruments. The following analysis provides a measure of the risks at March 31, 2021.

Credit risk

The carrying value of the Lhoosk'uz Dene Nation's main financial assets represents the maximum credit risk to which the band is exposed.

The Lhoosk'uz Dene Nation's credit risk is due mainly to its loans receivable. The balance sheet amounts are presented net of the allowance for impaired loans, which management estimates based on past experience and its assessment of current economic conditions. The Lhoosk'uz Dene Nation believes that its loans receivable credit risk is limited because the Lhoosk'uz Dene Nation recognizes a specific allowance for accounts receivable when the management considers the expected amount to be collected is lower than the actual amount receivable.

Liquidity risk

The Lhoosk'uz Dene Nation considers that it has sufficient credit facilities to ensure that funds are available to meet its current and long-term financial needs, at a reasonable cost.

Market risk

The Lhoosk'uz Dene Nation is exposed to interest rate risk on its fixed-interest and variable-interest financial instruments. Fixed-interest instruments subject the company to a fair value risk while the variable-interest instruments subject it to a cash flow risk.

The financial liabilities as at March 31, 2021 all have contractual maturities of one year or less.

Fair value

The carrying value of the Lhoosk'uz Dene Nation's main financial assets represents the maximum credit risk to which the company is exposed.

The fair value of a financial instrument corresponds to the amount of the consideration agreed upon by two willing parties in a non-arm's length transaction. Lhoosk'uz Dene Nation uses the following methods and assumptions to estimate the fair value of each category of financial instruments, the carrying amounts of which are included in the consolidated balance sheet as follows:

Cash, accounts receivables and trust moneys – The carrying amounts included in the balance sheet approximate fair values.

Accounts payable and accrued expenses – The carrying amount included in the balance sheet approximates fair value, given the short-term maturity of the instrument.