

Consolidated Financial Statements of



And Independent Auditor's Report thereon
Year ended March 31, 2024



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MANAGEMENT'S RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The accompanying consolidated financial statements of Nak'azdli Whut'en ("Nak'azdli") 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.

Nak'azdli'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 KPMG LLP, independent external auditors appointed by Nak'azdli. The accompanying Independent Auditors' Report outlines their responsibilities, the scope of their examination and their opinion on Nak'azdli's consolidated financial statements.



Chief



Finance Manager



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INDEPENDENT AUDITOR'S REPORT

To the Members of Nak'azdli Whut'en

Opinion

We have audited the consolidated financial statements of Nak'azdli Whut'en ("Nak'azdli"), which comprise:

- the consolidated statement of financial position as at March 31, 2024
- the consolidated statement of operations for the year then ended
- the consolidated statement of changes in net debt for the year then ended
- the consolidated statement of cash flows for the year then ended
- and notes to the consolidated financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the consolidated financial position of Nak'azdli as at March 31, 2024 and its consolidated results of operations and its 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 Financial Statements***" section of our auditors' report.

We are independent of Nak'azdli 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 Financial Statements

Management is responsible for the preparation and fair presentation of the 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 financial statements that are free from material misstatement, whether due to fraud or error.



In preparing the financial statements, management is responsible for assessing Nak'azdli'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 Nak'azdli or to cease operations, or has no realistic alternative but to do so.

Those charged with Governance are responsible for overseeing Nak'azdli's financial reporting process.

Auditor's Responsibilities for the Audit of the 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 auditors' 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 the 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 Nak'azdli'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 Nak'azdli's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 auditors' report. However, future events or conditions may cause Nak'azdli to cease to continue as a going concern.



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- 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.
- 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.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

A handwritten signature in black ink that reads 'KPMG LLP'. The signature is written in a cursive, slightly slanted style. Below the signature is a long, horizontal, slightly curved line that serves as a decorative underline.

Chartered Professional Accountants

Prince George, Canada

December 16, 2024



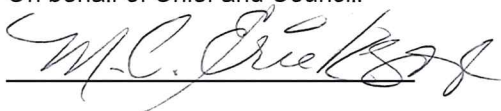

Consolidated Statement of Financial Position

March 31, 2024, with comparative information for 2023

	2024	2023
Financial assets:		
Cash and cash equivalents (note 2)	\$ 13,774,827	\$ 17,979,687
Marketable securities (note 3)	39,251,244	35,468,079
Restricted cash (note 4)	726,305	730,657
Accounts receivable (note 5)	10,753,649	4,326,740
Timber sale deposit	21,726	21,726
Investments, loan, and advances (note 6)	20,301,106	11,957,474
Loans receivable (note 7)	91,869	178,568
	<u>84,920,726</u>	<u>70,662,931</u>
Liabilities:		
Bank indebtedness (note 2)	-	96,524
Accounts payable and accrued liabilities (note 8)	5,498,284	7,642,184
Damage deposit payable	41,697	32,347
Deferred revenue (note 9)	2,981,772	1,120,131
Long-term debt (note 10)	2,036,113	2,191,444
Capital lease obligations	-	9,946
	<u>10,557,866</u>	<u>11,092,576</u>
Net financial assets	74,362,860	59,570,355
Non-financial assets:		
Inventories	317,438	314,371
Prepaid expenses	163,413	224,805
Tangible capital assets (note 11)	36,767,109	39,147,924
	<u>37,247,960</u>	<u>39,687,100</u>
Commitment (note 16)		
Contingent liabilities (note 17)		
Accumulated surplus (note 12)	<u>\$ 111,610,820</u>	<u>\$ 99,257,455</u>

See accompanying notes to consolidated financial statements.

On behalf of Chief and Council:



Consolidated Statement of Operations

Year ended March 31, 2024, with comparative information for 2023

	2024 Budget	2024 Actual	2023 Actual
Revenue (note 15):			
First Nations Health Authority	\$ 2,303,373	\$ 2,622,428	\$ 2,312,602
Indigenous Services Canada	8,000,052	9,390,692	9,484,381
Equity income from incorporated entities and limited partnerships	-	3,672,714	1,794,646
Other income (note 13)	3,772,335	19,732,585	18,498,519
Prince George Nechako Aboriginal Employment and Training Association	920,119	853,142	432,851
Province of British Columbia and other government revenue	705,966	8,420,920	10,610,330
Rental income	375,092	722,489	514,791
	<u>16,076,937</u>	<u>45,414,970</u>	<u>43,648,120</u>
Consolidated government business revenue:			
Grocery store (Sana'aih Market)	-	7,388,958	7,171,845
Logging (Nak'al Koh Logging and Nak'azdli Development Corporation)	-	222,804	842,645
Gas station (Nahounli Creek Gas Bar)	-	6	6,737
	<u>-</u>	<u>7,611,768</u>	<u>8,021,227</u>
Expenses (note 15):			
Band government	4,274,849	6,378,787	5,119,523
Capital services	3,112,902	6,340,302	3,798,616
Community services	1,643,009	1,361,762	1,357,627
Economic development	726,830	7,770,608	5,773,180
Education	7,494,993	6,218,401	5,257,866
Health	2,234,292	2,418,832	1,920,488
Housing	699,853	954,747	567,666
Social services	2,167,500	1,672,818	1,673,074
	<u>22,354,228</u>	<u>33,116,257</u>	<u>25,468,040</u>
Consolidated government business expenses:			
Grocery store (Sana'aih Market)	-	7,198,859	7,285,803
Logging (Nak'al Koh Logging)	-	183,626	675,172
Gas station (Nahounli Creek Gas Bar)	-	174,631	97,948
	<u>-</u>	<u>7,557,116</u>	<u>8,058,923</u>
Annual surplus	(6,277,291)	12,353,365	18,142,384
Accumulated surplus, beginning of year	99,257,455	99,257,455	81,115,071
Accumulated surplus, end of year	\$ 92,980,164	\$ 111,610,820	\$ 99,257,455

See accompanying notes to consolidated financial statements.



Consolidated Statement of Changes in Net Debt

Year ended March 31, 2024, with comparative information for 2023

	Budget	Total 2024	Total 2023
Annual (deficit) surplus	\$ (6,277,291)	\$ 12,353,365	\$ 18,142,384
Change in prepaid expenses	-	61,392	(35,684)
Change in inventories	-	(3,067)	(29,348)
Acquisition of tangible capital assets	-	(1,297,356)	(5,474,445)
Amortization of tangible capital assets	-	2,753,929	2,952,841
Loss on disposal of tangible capital assets	-	531,542	6,164
Proceeds on disposal of tangible capital assets	-	392,700	77,745
Increase in net financial assets	(6,277,291)	14,792,505	15,639,657
Net financial assets beginning of year	59,570,355	59,570,355	43,930,698
Net financial assets, end of year	\$ 53,293,064	\$ 74,362,860	\$ 59,570,355

See accompanying notes to consolidated financial statements.



Consolidated Statement of Cash Flows

Year ended March 31, 2024, with comparative information for 2023

	2024	2023
Cash provided by (used in):		
Operations:		
Annual surplus	\$ 12,353,365	\$ 18,142,384
Items not involving cash:		
Amortization of tangible capital assets	2,753,929	2,952,841
Equity income of incorporated entities and limited partnerships	(3,672,714)	(1,794,646)
Loss on disposal of tangible capital assets	531,542	6,164
	<u>11,966,122</u>	<u>19,306,743</u>
Changes in non-cash operating working capital:		
Accounts receivable	(6,426,909)	(678,867)
Inventories	(3,067)	(29,348)
Prepaid expenses	61,392	(35,684)
Accounts payable and accrued liabilities	(2,143,900)	(2,663,814)
Deferred revenue	1,861,641	518,186
Damage deposit payable	9,350	(250)
	<u>5,324,629</u>	<u>16,416,966</u>
Financing:		
Bank indebtedness	(96,524)	(44,324)
Repayment of long term debt	(155,331)	(1,226,860)
Repayment of capital lease obligation	(9,946)	(46,575)
	<u>(261,801)</u>	<u>(1,317,759)</u>
Investing:		
Change in net investments, loans and advances	(4,670,918)	65,434
Loans receivable	86,699	152,276
Restricted cash	4,352	(95,806)
Proceeds on disposal of tangible capital assets	392,700	77,745
Acquisition of tangible capital assets	(1,297,356)	(5,474,445)
Change in marketable securities	(3,783,165)	620,376
	<u>(9,267,688)</u>	<u>(4,654,420)</u>
(Decrease) increase in cash and cash equivalents	(4,204,860)	10,444,787
Cash and cash equivalents, beginning of year	17,979,687	7,534,900
<u>Cash and cash equivalents, end of year</u>	<u>\$ 13,774,827</u>	<u>\$ 17,979,687</u>

See accompanying notes to consolidated financial statements.



Notes to Consolidated Financial Statements

Year ended March 31, 2024

Nature of operations:

Nak'azdli Whut'en ("Nak'azdli") 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 include the assets, liabilities, and results of operations of Nak'azdli and all related entities and organizations subject to control by or responsibility of Chief and Council. No inclusion has been made of assets, liabilities, revenues or expenses of Nak'azdli members, individually or collectively, incorporated or unincorporated, that are not controlled by or the responsibility of Chief and Council.

These consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles for local government, as established by the Public Sector Accounting Board ("PSAB"). Nak'azdli's significant accounting policies are as follows:

(a) Reporting entity and principles of consolidation:

Nak'azdli's reporting entity includes the Nak'azdli Whut'en government and all related entities which are either owned or controlled by the Nak'azdli.

All controlled entities are fully consolidated except for the commercial enterprises which meet the definition of a government business enterprise or government business partnership, which are included in these consolidated financial statements on a modified equity basis. Inter-entity balances and transactions are eliminated upon consolidation.

Under the modified equity method of accounting, only Nak'azdli's investment in the government business enterprise or government business partnership and their share of the entities net income and other changes in equity are recorded. No adjustments are made for accounting policies of the entities that are different from those of the Nak'azdli.



Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2024

1. Significant accounting policies (continued):

(a) Reporting entity and principles of consolidation (continued):

Incorporated business entities, limited partnerships and other government organizations, which are controlled by Nak'azdli, are included in the consolidated financial statements using the consolidation method when they do not meet the criteria to be classified as government business enterprises.

Controlled entities consolidated in the financial statements include:

- FNA Resources Ltd. (50% owned)
- Nahounli Creek Gas Bar Ltd. (100% owned)
- Nak'al Koh Logging Ltd. (100% owned)
- Nak'azdli Development Corporation ("NDC") (100% owned)
- Ranchery Holdings Ltd. (100% owned)
- Sana'aih Market General Partner Inc. (100% owned)
- Ta Da Chun Timber Inc. (50% owned)
- Tl'oh Forest Products Inc. (50% owned)
- Nak'azdli LNG Ltd. (100% owned by NDC)

Jointly controlled entities are included in the consolidated financial statements using the proportionate consolidated method when they do not meet the definition of a government business partnership.

Government partnerships proportionality consolidated in the financial statements include:

- Sana'aih Market Limited Partnership (100% owned)
- Shas Resources Limited Partnership (12.5% owned)

These entities were classified as government business enterprises and government business partnerships, respectively, in the previous fiscal year as they met the appropriate criteria in the previous year.



Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2024

1. Significant accounting policies (continued):

(a) Reporting entity and principles of consolidation (continued):

Certain incorporated business entities and limited partnerships, which are controlled or jointly controlled by Nak'azdli, are included in the financial statements using the modified equity method. These include:

Government business enterprises:

- Carrier Food and Fuel Ltd. (100% owned)
- Nak'al Koh Timber Ltd. (100% owned)
- Nak'azdli Development Corporation GP Ltd. (100% owned)

Government business partnerships:

- BioNorth Holdings Limited Partnership (40% owned)
- NDC LNG Limited Partnership (99.99% owned)
- Nak'azdli Summit Camp Limited Partnership (50.95% owned)
- Nak'azdli Development Corporation Limited Partnership (99.90% owned)

(b) Cash:

Cash and cash equivalents consist of cash, bank overdrafts and investments in money market or other short-term instruments or investments with a maturity of less than 90 days.

(c) Investments:

Investments are recorded at cost, adjusted for amortization of premiums or discounts. Provisions for losses are recorded when they are considered to be other than temporary.



Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2024

1. Significant accounting policies (continued):

(d) Financial instruments:

Financial instruments are classified into two categories: fair value or cost.

Fair value category: Nak'azdli manages and reports performance for groups of financial assets on a fair-value basis. Cash and cash equivalents and marketable securities are reflected at fair value as at the reporting date. Sales and purchases of investments are recorded on the trade date. Transaction costs related to the acquisition of investments are recorded as an expense. Unrealized gains and losses on financial assets are recognized in the Statement of Remeasurement Gains and Losses until such time that the financial asset is derecognized due to disposal or impairment. At the time of derecognition, the related realized gains and losses are recognized in the Statement of Operations and Accumulated Surplus and related balances reversed from the Statement of Remeasurement Gains and Losses.

Cost category: Amounts receivable are measured at cost less any amount for valuation allowance. Valuation allowances are made when collection is in doubt.

Nak'azdli did not present a Statement of Remeasurement Gains and Losses in the current year as there was not a significant impact to report.

(e) Non-financial assets:

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year and are not intended for sale in the ordinary course of operations.



Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2024

1. Significant accounting policies (continued):

(f) Tangible capital assets:

Tangible capital assets are stated at cost, less accumulated amortization. Cost includes all costs directly attributable to acquisition or construction of the tangible capital asset including transportation costs, installation costs, design and engineering fees, legal fees and site preparation costs. Contributed tangible capital assets are recorded at fair value at the time of the donation with a corresponding amount recorded as revenue. Tangible capital assets under construction are not amortized until the asset is available for use.

Amortization is provided using the straight-line method:

Asset	Years
Land improvements	50
Buildings and improvements	25 - 40
Housing	25 - 40
Vehicles	5 - 10
Machinery and equipment	5 - 20
Sewer and water infrastructure	25 - 50
Road Infrastructure	15 - 20

When management determines that a tangible capital asset no longer contributes to Nak'azdli's ability to provide goods and services or that the value of the future benefits associated with the tangible capital asset is less than its net book value, the cost of the tangible capital asset is written down.

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.



Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2024

1. Significant accounting policies (continued):

(g) Revenue recognition:

Government transfers and grant revenue are recognized as Nak'azdli becomes entitled to the funding under the terms of applicable funding agreements and are recorded in the period in which the resources are used for the purpose specified in the agreements. Restricted funding received which relates to a subsequent fiscal period or which stipulations that give rise to an obligation are reported as deferred revenue until the resources are used for the purpose or purposes specified and/or the stipulations giving rise to an obligation have been met.

Other revenue, including interest, rent and own source are recognized in the period the services are provided and the related proceeds are received or receivable.

(h) Funding recoveries and reimbursements:

Funding received from government sources in the form of conditional transfer payments are subject to recovery, by the Crown, of unexpended balances or unallowable expenses. The Crown may also reimburse over expenditures upon determining adherence to the terms and conditions of payment for a specific purpose. Recoveries and reimbursements are accounted for when they are paid or payable or received or receivable.

(i) Allocation of expenses:

Management records a number of its expenses by program. The cost of each program includes the personnel, premises and other expenses that are directly related to providing the program.

Management allocates certain of its general support expenses by identifying the appropriate basis of allocating each expenses.



Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2024

1. Significant accounting policies (continued):

(j) Contaminated sites:

Contaminated sites are defined as the result of contamination being introduced in air, soil, water or sediment of a chemical, organic, or radioactive material or live organism that exceeds an environmental standard.

A liability for remediation of contaminated sites is recognized, net of any expected recoveries, when all of the following criteria are met:

- a) an environmental standard exists,
- b) contamination exceeds the environmental standard,
- c) the organization is directly responsibly or accepts responsibility for the liability,
- d) future economic benefits will be given up, and
- e) a reasonable estimate of the liability can be made.

(k) Asset retirement obligation:

An asset retirement obligation is recognized when, as at the financial reporting date, all of the following criteria are met:

- There is a legal obligation to incur retirement costs in relation to a tangible capital asset;
- The past transaction or event giving rise to the liability has occurred;
- It is expected that future economic benefits will be given up; and
- A reasonable estimate of the amount can be made.

The recognition of a liability results in an accompanying increase to the respective tangible capital assets. The increase to the tangible capital assets is amortized in accordance with the amortization policies outlined in note 1(f).



Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2024

1. Significant accounting policies (continued):

(l) Use of estimates:

The preparation of the 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 and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the year. Items subject to such estimates and assumptions include the carrying amounts of tangible capital assets and inventories; provisions for impairment of accounts receivable and marketable securities; and accrued liabilities. Actual results could differ from those estimates.

(m) Change in accounting policies:

On April 1, 2023, Nak'azdli adopted Canadian public sector accounting standard PS 3400 Revenue. The new accounting standard establishes a single framework to categorize revenue to enhance the consistency of revenue recognition and its measurement. As at March 31, 2024, Nak'azdli determined that the adoption of this new standard did not have an impact on the amounts presented in the financial statements.



Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2024

2. Cash and cash equivalents (bank indebtedness):

	2024	2023
Cash and cash equivalents		
Nak'azdli Whut'en	\$ 9,828,620	\$ 14,656,699
Nak'azdli Whut'en marketable securities brokerage account	1,512,969	910,085
Nahounli Creek Gas Bar Ltd.	14,348	13,306
Nak'azdli Development Corporation	1,837,996	2,048,210
Nak'al Koh Logging Ltd.	59,370	-
Sana'aih Market Limited Partnership	446,055	333,638
Tl'oh Forest Products Inc.	2,950	5,899
Ta Da Chun Timber Inc.	464	428
FNA Resources Ltd.	118	233
Shas Resources Limited Partnership	71,937	11,189
	\$ 13,774,827	\$ 17,979,687
Bank indebtedness		
Nak'al Koh Logging Ltd.	-	96,524
	\$ -	\$ 96,524

Nak'azdli Whut'en has established a revolving demand line of credit with BMO bearing interest at prime plus 0.75% per annum (7.95% per annum at March 31, 2024) in the amount of \$1,500,000 of which nil (2023 - nil) was drawn on this line of credit at year end. The line of credit is secured by a hypothecation of the marketable securities portfolio held with BMO.



Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2024

3. Marketable securities:

Level 1 investments are recorded at fair value and are comprised of the following:

	2024	2023
Fixed income pooled investments - Canadian	\$ 16,469,598	\$ 15,690,808
Equities pooled investments - Canadian	11,633,342	9,532,884
Equities pooled investments - U.S.	10,252,231	9,074,506
Equities pooled investments - Non North American	818,573	982,381
Conifex Timber Inc.	77,500	187,500
	\$ 39,251,244	\$ 35,468,079

Portfolio investments with a value of \$1,895,428 (2023 - \$1,895,428) have been placed in hypothecation as security for debt (note 2 and note 10).

Fair value of a financial instrument is defined as the amount at which the instrument could be exchanged in a current transaction between willing parties. Nak'azdli uses the following methods and assumptions to estimate the fair value of each class of financial instruments for which the carrying amounts are included in the Consolidated Statement of Financial Position under the following captions:



Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2024

3. Marketable securities (continued):

Financial assets and liabilities recorded at fair value are comprised of the following:

- Cash and cash equivalents, restricted cash, accounts receivable, loans receivable, bank indebtedness, accounts payable and accrued liabilities, and long-term debt - the carrying amounts approximate fair value because of the short maturity or nature of these instruments.
- Marketable securities - the carrying amounts are shown at fair value based on quoted prices (unadjusted) in active markets.

The financial instruments measured at fair value held within each investment are classified according to a hierarchy which includes three levels, reflecting the reliability of the inputs involved in their fair value determination. The different levels are defined as follows:

- Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2 - inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)
- Level 3 - inputs for the asset or liability that are not based on observable market data (unobservable inputs)



Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2024

4. Restricted cash:

	2024	2023
Operating fund		
Ministry of Forests woodlot license deposit (a)	\$ 5,046	\$ 5,046
Term deposits (b)	300,000	300,000
Ottawa Trust Fund		
Ottawa Trust Funds (c)	-	4,400
CMHC Social Housing Fund		
Social Housing Replacement Reserve (d)	349,859	349,811
Ta Da Chun Timber Inc.		
Ministry of Forest woodlot license deposit (a)	71,400	71,400
	\$ 726,305	\$ 730,657

The funds are restricted for the following purposes:

- a) A term deposit assigned to the Ministry of Forests on behalf of Nak'azdli Development Corporation ("NDC") and Ta Da Chun Timber Inc, in support of its woodlot licenses.
- b) A term deposit held with Royal Bank of Canada securing the operating lines for Sana'aih Market Limited Partnership, Nahounli Creek Gas Bar, and Nak'azdli Development Corporation for \$100,000 each.
- c) Ottawa Trust Funds on deposit with Indigenous Services Canada arise from monies derived from capital or revenue sources as outlined in Section 62 of the Indian Act.
- d) Social Housing Replacement Reserve funds can only be utilized under the terms of the respective Canada Mortgage and Housing Corporation agreements.



Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2024

5. Accounts receivable:

	2024	2023
Indigenous Services Canada	\$ -	\$ 56,878
First Nations Health Authority	519,761	-
Centerra Gold Inc. - Mount Milligan	-	319,200
Other	398,252	211,285
Province of British Columbia	9,496,285	1,748,911
KDL Management	-	1,122,286
	<u>10,414,298</u>	<u>3,458,560</u>
Nak'azdli Whut'en owned rental housing	516,713	551,704
Less: allowance for doubtful accounts	(491,695)	(520,276)
	<u>25,018</u>	<u>31,428</u>
Member Housing	110,683	115,300
Less: allowance for doubtful accounts	(103,721)	(93,167)
	<u>6,962</u>	<u>22,133</u>
Nak'azdli Development Corporation - trade receivables	198,663	696,425
Nahounli Creek Gas Bar Ltd. - trade receivables	420	1,119
Nak'al Koh Logging Ltd. - trade receivables	13,248	16,135
Sana'aih Market Limited Partnership - trade receivables	94,950	100,645
FNA Resources Ltd. - trade receivables	67	291
Shas Resources Limited Partnership - trade receivables	23	4
	<u>307,371</u>	<u>814,619</u>
	<u>\$ 10,753,649</u>	<u>\$ 4,326,740</u>



Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2024

6. Investments, loans and advances:

	Investments	Advances	2024	2023
Carrier Food and Fuel Ltd.	\$ 2,263,476	\$ (111,461)	\$ 2,152,015	\$ 2,079,318
Nak'al Koh Timber Ltd.	3,526,030	(231,946)	3,294,084	2,687,343
NDC LNG Limited Partnership	4,173,180	-	4,173,180	3,305,584
Nak'azdli Summit Camp Limited Partnership	-	-	-	417,131
BioNorth Holdings Limited Partnership	5,778,000	-	5,778,000	3,590,000
Nak'azdli Development Corporation GP Ltd.	(352,579)	-	(352,579)	-
Nak'azdli Development Corporation Limited Partnership	(181,835)	(140,000)	(321,835)	-
1408535 BC Ltd.	-	5,714,824	5,714,824	-
Others	-	(136,583)	(136,583)	(121,902)
	\$ 15,206,272	\$ 5,094,834	\$ 20,301,106	\$ 11,957,474

Nak'azdli's share of the gain (loss) in its equity accounted investees for the year was:

	2024	2023
Carrier Food and Fuel Ltd.	\$ (13,303)	\$ 311,864
Nak'al Koh Timber Ltd.	674,967	773,544
NDC LNG Limited Partnership	727,596	1,119,493
Nak'azdli Summit Camp Limited Partnership	629,868	(255)
BioNorth Holdings Limited Partnership	2,188,000	(410,000)
Nak'azdli Development Corporation GP Ltd.	(352,579)	-
Nak'azdli Development Corporation Limited Partnership	(181,835)	-
	\$ 3,672,714	\$ 1,794,646



Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2024

6. Investments, loans and advances (continued):

	2024	2023
Government business enterprises owned 100% by Nak'azdli Whut'en:		
Carrier Food & Fuel Ltd.:		
Financial position:		
Assets	\$ 2,564,244	\$ 2,598,610
Liabilities	(300,770)	(321,833)
Equity	2,263,474	2,276,777
Results of operations:		
Revenues	11,391,338	12,539,305
Expenses	(11,404,641)	(12,227,441)
Profit and comprehensive income	(13,303)	311,864
Nak'al Koh Timber Ltd.:		
Financial position:		
Assets	\$ 3,534,571	\$ 2,986,877
Liabilities	(8,541)	(135,814)
Equity	(3,526,030)	(2,851,063)
Results of operation:		
Revenues	1,097,861	969,792
Expenses	(422,894)	(196,248)
Profit and comprehensive income	674,967	773,544
Nak'azdli Development Corporation GP Ltd.		
Financial position:		
Assets	\$ 20	\$ -
Liabilities	(352,579)	-
Equity	(352,559)	-
Results of operations:		
Revenues	350,079	-
Expenses	(2,500)	-
Profit and comprehensive income	(347,579)	-



Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2024

6. Investments, loans and advances (continued):

	2024	2023
Government business enterprises owned 99.99% by Nak'azdli Whut'en (continued):		
NDC LNG Limited Partnership:		
Financial position:		
Assets	\$ 4,188,713	\$ 3,472,957
Liabilities	(15,115)	(17,665)
Equity	(4,173,598)	(3,455,292)
Results of operations:		
Revenues	848,727	1,244,593
Expenses	(130,421)	(124,988)
Profit and comprehensive income	718,306	1,119,605
Nak'azdli Development Corporation Limited Partnership		
Financial position:		
Assets	\$ 1,000	\$ -
Liabilities	(182,852)	-
Equity	(181,852)	-
Results of operations:		
Revenues	-	-
Expenses	(182,852)	-
Profit and comprehensive income	(182,852)	-
Government business enterprises owned 50.95% by Nak'azdli Whut'en:		
Nak'azdli Summit Camp Limited Partnership		
Financial position:		
Assets	\$ 2,106	\$ 213,355
Liabilities	-	(92,401)
Equity	(2,106)	(120,954)
Results of operations:		
Revenues	-	407,991
Expenses	-	(408,246)
Profit and comprehensive income	-	(255)



Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2024

6. Investments, loans and advances (continued):

	2024	2023
Government business enterprises owned 40% by Nak'azdli Whut'en:		
BioNorth Holdings Limited Partnership		
Financial position:		
Assets	\$ 41,297,000	\$ 37,703,000
Liabilities	(26,853,000)	(28,729,000)
Equity	(14,444,000)	(8,974,000)
Results of operations:		
Revenues	42,301,000	34,669,000
Expenses	(36,831,000)	(34,233,000)
Profit and comprehensive income	5,470,000	436,000

Shares and partnership units are held by Nak'azdli, as represented by Chief and Council, on behalf of and for the benefit of the Nak'azdli Whut'en membership.



Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2024

7. Loans receivable:

	2024	2023
Nak'azdli Whut'en members	\$ 127,144	\$ 60,987
Nak'azdli Whut'en member housing loans	855,081	1,007,937
	982,225	1,068,924
Less: allowance for doubtful accounts	(890,356)	(890,356)
	\$ 91,869	\$ 178,568

Nak'azdli Whut'en member housing loans are repayable by Nak'azdli members over the same term and at the same interest rate as incurred by Nak'azdli in financing the original construction of the housing units. Upon repayment of a Nak'azdli Whut'en member housing loan, title to the housing unit is transferred to the member. Other Nak'azdli Whut'en member loans are interest free and have no set terms of repayment.

8. Accounts payable and accrued liabilities:

	2024	2023
Trade payables	\$ 1,759,218	\$ 1,727,765
Accrued liabilities	2,545,397	2,088,638
Accrued wages and benefits	724,856	601,392
Sales tax payable	134,944	68,705
Nak'azdli Whut'en Trust	333,869	3,155,684
	\$ 5,498,284	\$ 7,642,184

Nak'azdli has a defined contribution pension plan for eligible members of its staff. Members can contribute up to a maximum of 5.5% of their salary and Nak'azdli matches the member's contributions. The amount of retirement benefits to be received by the members will be the amount of retirement annuity that could be purchased based on the member's share of the pension plan at the time of the member's withdrawal from the plan. During the year, Nak'azdli contributed \$283,384 (2023 - \$304,512) for retirement benefits.



Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2024

9. Deferred revenue:

Deferred revenue is comprised of funding received prior to expenditures being made in respect of the following projects or program:

	2024	2023
Indigenous Services Canada - first nations representative service	\$ 230,000	\$ -
First Nation Health Authority - aboriginal headstart	448,579	353,087
First Nation Health Authority - harm reduction	35,544	-
First Nation Health Authority - home and community care	104,111	55,147
First Nation Health Authority - licensed child care	1,235,596	208,596
First Nation Health Authority - maternal health	226,501	73,778
First Nation Health Authority - mental health	80,000	-
First Nation Health Authority - diabetes	115,520	69,312
First Nation Health Authority - land based healing	117,197	117,197
First Nation Health Authority - trauma	50,000	50,000
Ministry of Children and Family Development	283,411	113,411
Gift cards	55,313	79,603
	\$ 2,981,772	\$ 1,120,131



Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2024

10. Long-term debt:

	2024	2023
Bank of Montreal - repaid in the year.	\$ -	\$ 1,014
Bank of Montreal - demand loan repayable at \$3,756 per month including interest at prime rate plus 0.5% per annum, due March 2042.	606,167	623,558
Bank of Montreal - demand loan repayable at \$5,194 per month including interest at prime rate plus 0.5% per annum, due December 2034.	569,759	602,861
Bank of Montreal - demand loan repayable at \$2,504 per month including interest at prime rate plus 0.5% per annum, due June 2035.	283,347	298,975
All Nations Trust - repaid in the year.	-	20,045
All Nations Trust - mortgage repayable at \$3,111 per month including interest at 1.73% per annum, due January 2026.	67,321	103,308
All Nations Trust - mortgage repayable at \$1,380 per month including interest at 2.39% per annum, due March 2033.	134,943	147,758
All Nations Trust - mortgage repayable at \$1,825 per month including interest at 2.21% per annum, due February 2044.	353,102	367,435
Indigenous Services Canada - specific claim treaty negotiation loan, non-interest bearing, unsecured until loan becomes repayable at the date at which the claim is settled.	21,474	21,474
Carried forward	2,036,113	2,186,428



Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2024

10. Long-term debt (continued):

	2024	2023
Carried forward	2,036,113	2,186,428
The Driving Force Inc. - repaid in the year.	-	5,016
	\$ 2,036,113	\$ 2,191,444

Bank of Montreal demand loans are secured by a hypothecation of the Bank of Montreal marketable securities portfolio (note 3). As at March 31, 2024, Bank of Montreal prime rate was 7.2%. Security for the non-revolving demand instalment loan with Bank of Montreal comprises a first security interest on all property owned by Nak'al Koh Logging Ltd. and an unlimited guarantee by Nak'azdli.

All Nations Trust mortgages are secured by their respective property and ministerial guarantee.

All vehicle and equipment loans are secured by the specific asset.

Provided the lenders do not demand repayment of the loans in full, principal repayments are due as follows:

2025	\$ 947,811
2026	92,805
2027	65,900
2028	70,134
2029	74,667
Thereafter	784,796
	\$ 2,036,113



Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2024

11. Tangible capital assets:

	2024									
	Land	Land Improvements	Buildings and Improvements	Housing	Vehicles	Machinery and Equipment	Sewer and Water Infrastructure	Road Infrastructure		Total
Cost:										
Balance, beginning of year	\$ 2,050,076	\$ 1,124,429	\$ 46,637,338	\$ 11,204,979	\$ 3,656,084	\$ 5,294,318	\$ 2,643,467	\$ 5,384,709		\$ 77,995,400
Additions	128,000	-	91,140	224,752	346,805	315,171	191,488	-		1,297,356
Disposals	-	-	(760,997)	-	(1,196,514)	(1,454,997)	-	-		(3,412,508)
Balance, end of year	2,178,076	1,124,429	45,967,481	11,429,731	2,806,375	4,154,492	2,834,955	5,384,709		75,880,248
Accumulated amortization:										
Balance, beginning of year	-	860,995	18,478,544	8,476,071	2,330,642	4,304,391	1,374,205	3,022,628		38,847,476
Amortization expenses	-	19,151	1,690,219	255,502	316,298	169,487	57,617	245,655		2,753,929
Disposals	-	-	(13,341)	-	(1,049,118)	(1,425,807)	-	-		(2,488,266)
Balance, end of year	-	880,146	20,155,422	8,731,573	1,597,822	3,048,071	1,431,822	3,268,283		39,113,139
Net book value, end of year	\$ 2,178,076	\$ 244,283	\$ 25,812,059	\$ 2,698,158	\$ 1,208,553	\$ 1,106,421	\$ 1,403,133	\$ 2,116,426		\$ 36,767,109



Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2024

11. Tangible capital assets (continued):

	2023									
	Land	Land Improvements	Buildings and improvements	Housing	Vehicles	Machinery and Equipment	Sewer and Water Infrastructure	Road Infrastructure	Total	
Cost:										
Balance, beginning of year	\$ 1,667,085	\$ 1,024,765	\$ 43,647,039	\$ 10,703,059	\$ 3,564,378	\$ 4,999,862	\$ 2,306,556	\$ 5,128,194	\$ 73,040,938	
Additions	382,991	99,664	2,990,299	501,920	611,689	294,456	336,911	256,515	5,474,445	
Disposals	-	-	-	-	(519,983)	-	-	-	(519,983)	
Balance, end of year	2,050,076	1,124,429	46,637,338	11,204,979	3,656,084	5,294,318	2,643,467	5,384,709	77,995,400	
Accumulated amortization:										
Balance, beginning of year	-	841,844	17,073,640	8,224,298	2,541,844	3,644,099	1,317,502	2,687,482	36,330,709	
Amortization expenses	-	19,151	1,404,904	251,773	224,872	660,292	56,703	335,146	2,952,841	
Disposals	-	-	-	-	(436,074)	-	-	-	(436,074)	
Balance, end of year	-	860,995	18,478,544	8,476,071	2,330,642	4,304,391	1,374,205	3,022,628	38,847,476	
Net book value, end of year	\$ 2,050,076	\$ 263,434	\$ 28,158,794	\$ 2,728,908	\$ 1,325,442	\$ 989,927	\$ 1,269,262	\$ 2,362,081	\$ 39,147,924	



Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2024

12. Accumulated surplus:

	2024	2023
Operating fund	\$ 76,529,965	\$ 61,891,353
Ottawa Trust Fund	-	4,400
Invested in tangible capital assets	34,730,996	36,956,480
CMHC social housing replacement reserve	349,859	405,222
	\$ 111,610,820	\$ 99,257,455

13. Other income:

	2024	2023
Canada Mortgage and Housing Corporation	\$ 255,683	\$ 51,620
BC First Nation Gaming Revenue Sharing Limited Partnership	936,654	1,026,093
Investment income	3,616,924	1,140,970
Management income	1,036,900	556,205
Miscellaneous	2,606,595	792,849
Natural resource contracts	6,085,542	13,425,010
Other government	3,665,956	1,857,041
Gain (loss) on marketable securities	1,528,331	(351,269)
	\$ 19,732,585	\$ 18,498,519



Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2024

14. Related party transactions:

During the year, Nak'azdli had the following transactions with related parties:

	2024	2023
Carrier Food & fuel Ltd.:		
Administration and bookkeeping	\$ 141,496	\$ 80,212
Nak'azdli LNG Limited Partnership:		
Administration and bookkeeping	120,000	112,285
Accounts receivable	-	5,604
Nak'al Koh Timber Ltd.		
Administration and bookkeeping	25,078	85,479
Accounts receivable	26,250	89,753
	\$ 312,824	\$ 373,333

These transactions are in the normal course of operations and are measured at the exchange amount as determined and agreed to by the related parties.



Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2024

15. Segmented information:

Nak'azdli 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:

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

Capital services - provides the maintenance costs of various Nak'azdli owned buildings and infrastructure;

Community services - manages funding and costs associated with the maintenance and provision of community infrastructure, recreation facilities and related services;

Economic development - manages the development of economic opportunities from the land and natural resources for Nak'azdli and its entities;

Education - provides elementary and secondary education instructional services and provides financial support to post secondary students as well provides training and work opportunities for Nak'azdli members to improve their job skills and participate effectively in the labour market;

Health - provides a variety of health care programs, services and support to Nak'azdli members;

Housing - provides programs and services associated with the operation and maintenance of Nak'azdli owned housing occupied by Nak'azdli members;

Social services - provides programs and services for the social benefit and welfare of Nak'azdli members.



Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2024

15. Segmented information (continued):

	2024								
	Band government	Capital services	Community services	Economic development	Education	Health	Housing	Social services	Total
Revenue:									
Indigenous Service Canada	\$ 610,838	\$ 49,658	\$ 1,798,310	\$ 106,142	\$ 4,703,008	\$ 350,975	\$ 60,656	\$ 1,711,105	\$ 9,390,692
Province of British Columbia	7,641,230	67,096	29,161	-	614,885	12,210	-	56,338	8,420,920
First Nations Health Authority	3,000	-	-	-	617,880	2,001,548	-	-	2,622,428
Canada Mortgage and Housing Corporation	-	-	-	-	-	-	255,683	-	255,683
Prince George Nechako Aboriginal Employment & Training Association	-	-	-	-	853,142	-	-	-	853,142
Investment income	3,607,426	-	-	9,498	-	-	-	-	3,616,924
Rental income	-	-	74,808	78,500	-	-	569,181	-	722,489
Gain on marketable securities	1,528,331	-	-	-	-	-	-	-	1,528,331
Other income	5,207,259	97,529	318,884	8,192,803	329,690	3,000	35,507	146,975	14,331,647
Equity income of incorporated entities and limited partnerships	-	-	-	3,672,714	-	-	-	-	3,672,714
Government business enterprises	-	-	-	7,611,768	-	-	-	-	7,611,768
Total revenue	18,598,084	214,283	2,221,163	19,671,425	7,118,605	2,367,733	921,027	1,914,418	53,026,738



Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2024

15. Segmented information (continued):

	2024								
	Band government	Capital services	Community services	Economic development	Education	Health	Housing	Social services	Total
Expenses:									
Administration	185,038	18,764	-	47,386	3,159	32,420	4,158	501	291,426
Amortization	-	2,349,147	-	232,229	-	-	79,890	-	2,661,266
Consulting and contracts	929,821	3,134,561	48,726	1,103,149	17,213	70,798	38,431	24,640	5,367,340
Donations	221,092	-	-	17,569	-	-	-	-	238,661
Honoraria	253,503	876	-	44,500	33,820	77,765	9,100	66,122	485,686
Materials and supplies	431,478	(48,220)	170,517	359,668	409,504	171,869	11,814	421,452	1,928,082
Other	1,037,548	-	47,527	1,752,597	209,918	28,528	61,451	25,340	3,162,909
Professional fees	354,194	2,742	114,947	375,604	39,209	272,715	8,250	32,085	1,199,746
Government business enterprises	-	-	-	7,557,116	-	-	-	-	7,557,116
Repairs and maintenance	28,633	645,152	141,533	657,895	159,867	111,466	345,128	723,633	2,813,307
Social assistance and education program	29,292	-	-	2,107,900	3,895,276	9,239	-	85,650	6,127,357
Telephone and utilities	52,043	78,257	85,648	39,874	35,044	30,027	26,754	44,978	392,625
Travel and transportation	324,403	4,073	18,129	54,515	179,736	471,226	2,747	45,692	1,100,521
Wages and benefits	2,531,742	154,950	734,735	977,721	1,235,655	1,142,779	367,024	202,725	7,347,331
Total expenses	6,378,787	6,340,302	1,361,762	15,327,723	6,218,401	2,418,832	954,747	1,672,818	40,673,373
Surplus (deficit)	\$ 12,219,297	\$ (6,126,019)	\$ 859,401	\$ 4,343,702	\$ 900,204	\$ (51,099)	\$ (33,720)	\$ 241,600	\$ 12,353,365



Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2024

15. Segmented information (continued):

	2023								
	Band government	Capital services	Community services	Economic development	Education	Health	Housing	Social services	Total
Revenue:									
Indigenous Service Canada	\$ 810,219	\$ 1,269,144	\$ 1,092,893	\$ -	\$ 3,895,625	\$ -	\$ 200,000	\$ 2,216,500	\$ 9,484,381
Province of British Columbia	9,906,171	154,200	48,614	-	413,027	2,819	52,728	32,771	10,610,330
First Nations Health Authority	-	-	-	-	369,701	1,942,901	-	-	2,312,602
Canada Mortgage and Housing Corporation	-	-	-	-	-	-	51,620	-	51,620
Prince George Nechako Aboriginal Employment & Training Association	-	-	-	-	432,851	-	-	-	432,851
Investment income	1,001,142	-	-	139,828	-	-	-	-	1,140,970
Rental income	-	-	44,597	74,000	-	-	396,194	-	514,791
Gain on marketable securities	(52,669)	-	-	-	-	-	-	-	(52,669)
Other income	6,371,669	990,625	327,038	9,569,364	57,247	683	22,214	19,758	17,358,598
Equity income of incorporated entities and limited partnerships	-	-	-	1,794,646	-	-	-	-	1,794,646
Government business enterprises	-	-	-	8,021,227	-	-	-	-	8,021,227
Total revenue	18,036,532	2,413,969	1,513,142	19,599,065	5,168,451	1,946,403	722,756	2,396,246	51,669,347



Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2024

15. Segmented information (continued):

	2023								
	Band government	Capital services	Community services	Economic development	Education	Health	Housing	Social services	Total
Expenses:									
Administration	112,636	26,545	279	36,250	51,651	36,022	9,822	668	273,873
Amortization	-	2,332,815	-	234,870	-	-	95,971	-	2,663,656
Consulting and contracts	642,166	83,599	29,140	287,777	39,034	91,629	42,268	145,602	1,361,215
Donations	209,207	-	-	18,152	-	-	-	-	227,359
Honoraria	273,289	-	1,000	26,700	16,531	51,342	5,750	40,905	415,517
Materials and supplies	296,763	29,943	127,509	36,364	380,886	85,071	11,740	279,236	1,247,512
Other	950,157	188,307	213,538	1,673,009	106,235	48,106	(89,389)	37,941	3,127,904
Professional fees	279,296	2,801	43,035	279,086	25,801	252,110	15,364	26,847	924,340
Government business enterprises	-	-	-	8,058,923	-	-	-	-	8,058,923
Repairs and maintenance	(136,678)	735,790	187,364	129,958	224,271	142,545	163,969	739,330	2,186,549
Social assistance and education program	6,872	-	1,800	2,068,484	3,253,252	12,098	-	101,370	5,443,876
Telephone and utilities	53,070	135,598	77,423	28,941	35,555	29,714	23,728	78,352	462,381
Travel and transportation	236,924	8,206	21,589	57,558	92,550	345,769	1,762	37,545	801,903
Wages and benefits	2,195,821	255,012	654,950	896,031	1,032,100	826,082	286,681	185,278	6,331,955
Impairment on investment	-	-	-	-	-	-	-	-	-
Total expenses	5,119,523	3,798,616	1,357,627	13,832,103	5,257,866	1,920,488	567,666	1,673,074	33,526,963
Surplus (deficit)	\$ 12,917,009	\$ (1,384,647)	\$ 155,515	\$ 5,766,962	\$ (89,415)	\$ 25,915	\$ 155,090	\$ 723,172	\$ 18,142,384



Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2024

16. Commitment:

Nak'azdli is party to an agreement which requires the sale of timber to Apollo Forest Products Ltd. at fair market value.

17. Contingent liabilities:

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

Nak'azdli is contingently liable for a Nak'azdli member mortgages secured by a Government of Canada Ministerial guarantee. As at March 31, 2024, the maximum liability would be \$564,521 (2023 - \$638,546).

Ta Da Chun Timber Limited Partnership has contracted with Apollo Forest Products Ltd. to undertake all reforestation and deactivation activities related to the Partnership's forest license. However, as licensee, the Partnership is ultimately obligated to fulfill the reforestation requirements as set out in the forest license.

Under the BC Environmental Management Act, a gas station is considered to be a contaminated site and, upon closure of the gas station, Nahounli Creek Gas Bar Ltd. is responsible for site remediation. The amount of the liability, if any, is not determinable and has not been recognized in the consolidated financial statements.

In the normal course of operations, Nak'azdli may become involved in legal actions. Some of these potential liabilities may become actual liabilities when one or more future event 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.

18. Comparative information:

The consolidated financial statements have been reclassified, where applicable, to conform to the presentation used in the current year. The changes do not affect prior year annual surplus.