

Consolidated Financial Statements of

SAIK'UZ FIRST NATION

And Independent Auditors' Report thereon

Year ended March 31, 2022

SAIK'UZ FIRST NATION

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MANAGEMENT'S RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The accompanying consolidated financial statements of the Saik'uz First Nation (the "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 KPMG LLP, independent external auditors appointed by the Nation. The accompanying Independent Auditors' Report outlines their responsibilities, the scope of their examination and their opinion on the Nation's consolidated financial statements.

Chief

General Manager



KPMG LLP
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Prince George BC V2L 5R8
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INDEPENDENT AUDITORS' REPORT

To the Members of Saik'uz First Nation

Opinion

We have audited the consolidated financial statements of Saik'uz First Nation (the "Nation"), which comprise:

- the consolidated statement of financial position as at March 31, 2022
- the consolidated statement of operations for the year then ended
- the consolidated statement of changes in net financial assets 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 the Nation as at March 31, 2022 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 "**Auditors' Responsibilities for the Audit of the Financial Statements**" section of our auditors' report.

We are independent of the Nation 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.

Emphasis of Matter - Restatement of Financial Statements

We draw attention to Note 13 to the financial statements, which explains that certain comparative information presented for the year ended March 31, 2021 has been restated.

Note 13 explains the reason for the restatement and also explains the adjustments that were applied to restate certain comparative information.

Our opinion is not modified in respect to this matter.



Other Matter - Comparative Information

As part of our audit of the financial statements for the year ended March 31, 2022, we also audited the adjustments that were applied to restate certain comparative information presented for the year ended March 31, 2021. In our opinion, such adjustments are appropriate and have been properly applied.

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 the Nation'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 Nation or 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.

Auditors' 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 the Nation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.



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- 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 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 the Nation 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
- 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group Nation 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.

KPMG LLP

Chartered Professional Accountants

Prince George, Canada

August 9, 2022

SAIK'UZ FIRST NATION

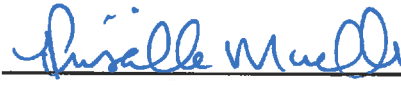

Consolidated Statement of Financial Position

March 31, 2022, with comparative information for 2021

	2022	2021 (restated - note 13)
Financial assets:		
Cash	\$ 16,740,917	\$ 9,682,068
Accounts receivable (note 2)	2,219,068	1,786,307
Guaranteed investment certificates	1,844,787	1,839,331
Four Rivers Co-operative equity	83,146	81,932
Investments in government business entities (note 3)	4,976,486	3,730,234
Ottawa Trust Fund (note 4)	978,756	982,879
	<u>\$ 26,843,160</u>	<u>\$ 18,102,751</u>
Liabilities:		
Accounts payable and accrued liabilities (note 5)	\$ 1,239,686	\$ 685,168
Deferred revenue (note 6)	1,862,976	278,933
Long-term debt (note 7)	428,026	486,467
	<u>3,530,688</u>	<u>1,450,568</u>
Net financial assets	23,312,472	16,652,183
Non-financial assets:		
Prepaid expenses	12,646	12,646
Tangible capital assets (note 8)	21,028,328	18,637,204
	<u>21,040,974</u>	<u>18,649,850</u>
Contingent liabilities (note 11)		
Accumulated surplus (note 12)	<u>\$ 44,353,446</u>	<u>\$ 35,302,033</u>

See accompanying notes to consolidated financial statements.

On behalf of Chief and Council:



SAIK'UZ FIRST NATION

Consolidated Statement of Operations

Year ended March 31, 2022, with comparative information for 2021

	2022	2021 (restated - note 13)
Revenue (note 10):		
Carrier Sekani Family Services	\$ 1,142,925	\$ 528,769
Carrier Sekani Tribal Council	2,866,452	5,350,957
Canada Mortgage Housing Corporation	2,258,266	-
Indigenous Services Canada	8,396,109	5,900,013
Other income (note 9)	4,365,467	4,511,495
Ottawa Trust Fund revenue	20,877	13,643
Prince George Nechako Aboriginal Employment and Training Association	528,107	333,932
Province of British Columbia	197,224	1,143,457
	19,775,427	17,782,266
Expenses (note 10):		
Administration	3,638,301	3,625,378
Catering	117,884	126,211
Daycare	643,749	314,041
Economic development	79,850	96,456
Education, training, and employment	2,525,800	928,583
Gaming	285,968	504,579
Health	551,069	386,804
Housing and membership	591,233	440,038
Land and resources	934,593	975,793
Language and culture	294,934	437,449
Operations and maintenance	452,894	364,533
Pathways Forward	149,076	36,536
Prevention	185,120	-
Recreation	44,091	68,879
Social development	1,317,330	1,776,464
	11,811,892	10,081,744
Annual surplus before other income (expenses)	7,963,535	7,700,522
Other income (expenses):		
Recoveries by Government of Canada	-	(2,196)
Equity from investments in government business entities (note 3)	1,087,878	2,813,980
Annual surplus	9,051,413	10,512,307
Accumulated surplus, beginning of year	35,302,033	24,789,726
Accumulated surplus, end of year	\$ 44,353,446	\$ 35,302,033

See accompanying notes to consolidated financial statements.

SAIK'UZ FIRST NATION

Consolidated Statement of Changes In Net Financial Assets

Year ended March 31, 2022, with comparative information for 2021

	Total 2022	Total 2021 (restated - note 13)
Annual surplus	\$ 9,051,413	\$ 10,512,307
Acquisition of tangible capital assets	(3,118,348)	(80,738)
Amortization of tangible capital assets	727,224	773,418
	6,660,289	11,204,987
Acquisition of prepaid expenses	(12,646)	(12,646)
Use of prepaid expenses	12,646	7,876
Increase in net financial assets	6,660,289	11,200,217
Net financial assets, beginning of year	16,652,183	5,451,966
Net financial assets, end of year	\$ 23,312,472	\$ 16,652,183

See accompanying notes to consolidated financial statements.

SAIK'UZ FIRST NATION

Consolidated Statement of Cash Flows

Year ended March 31, 2022, with comparative information for 2021

	2022	2021 (restated - note 13)
Cash provided by (used in):		
Operations:		
Annual surplus	\$ 9,051,413	\$ 10,512,307
Items not involving cash:		
Amortization	727,224	773,418
Equity from investments in government business entities	(1,087,878)	(2,813,980)
	8,690,759	8,471,745
Changes in non-cash operating working capital:		
Accounts receivable	(378,281)	1,485,059
Ottawa Trust Fund	4,123	11,357
Four Rivers Co-operative equity	(1,214)	(414)
Accounts payable and accrued liabilities	500,038	126,094
Guaranteed investment certificates	(5,456)	(39,331)
Deferred revenue	1,584,043	248,549
Prepaid expenses	-	(4,770)
	10,394,012	10,298,289
Financing:		
Repayment of long-term debt	(58,441)	(84,105)
Investing:		
Advances to government business entities	(158,374)	67,244
Acquisition of tangible capital assets	(3,118,348)	(80,738)
	(3,276,722)	(13,494)
Increase in cash	7,058,849	10,200,690
Cash (bank overdraft), beginning of year	9,682,068	(518,622)
Cash, end of year	\$ 16,740,917	\$ 9,682,068

See accompanying notes to consolidated financial statements.

SAIK'UZ FIRST NATION

Notes to Consolidated Financial Statements

Year ended March 31, 2022

Nature of operations:

Saik'uz First Nation (the "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 include the assets, liabilities, and results of operations of the Nation 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 Nation 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"). The Nation's significant accounting policies are as follows:

(a) Fund accounting:

The Nation used 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 consolidated financial statements. The Nations maintains the following funds:

- The Operating fund, which reports the general activities on the Nation administration through a variety of programs.
- The Ottawa Trust fund, which reports on trust funds owned by the Nation and held in trust in the Consolidated Revenue Fund of the Government of Canada.

(b) Reporting entity and principles of consolidation:

The Nation reporting entity includes the Saik'uz First Nation government and all related entities which are either owned or controlled by the Nation.

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.

SAIK'UZ FIRST NATION

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2022

1. Significant accounting policies (continued):

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

Under the modified equity method of accounting, only the Nation'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 Nation.

Government business entities or partnerships which are partially or wholly-owned by the Nation and which are not dependent on the Nation for their continuing operations, included in the consolidated financial statements using the modified equity method are as follows:

- Saik'uz Development Corporation (100%)
- Saik'uz Yun K Ut (100%)
- Tagi Resources Limited Partnership (99.99%)
- Tagi Resources Corporation (100%)
- Tagi Contracting Limited Partnership (99.99%)
- Tagi Contracting Corporation (100%)
- Tagi Forestry Limited Partnership. (99.99%)
- Tagi Forestry Corporation (100%)
- Tin Toh Forest Products Ltd. (100%)
- Tin Toh Forest Products LLP (99.99%)
- 0944099 BC Ltd. (100%)

Entities which are not controlled or jointly controlled are accounted for at cost. These include:

- SCC Contracting Ltd.
- Desti Holdings Ltd.
- Lhai Ventures GP Corp.

(c) Cash and cash equivalents:

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.

SAIK'UZ FIRST NATION

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2022

1. Significant accounting policies (continued):

(d) Financial instruments:

Financial instruments originating in a non-arms length transaction are recorded at fair value on initial recognition. Freestanding derivative instruments that are not in a qualifying hedging relationship and equity instruments that are quoted in an active market are subsequently measured at fair value. All other financial instruments are subsequently recorded at cost or amortized cost, unless management has elected to carry the instruments at fair value. The Nation has not elected to carry any such financial instruments at fair value.

Transaction costs incurred on the acquisition of financial instruments measured subsequently at fair value are expensed as incurred. All other financial instruments are adjusted by transaction costs incurred on acquisition and financing costs, which are amortized using the effective interest rate method.

Financial assets are assessed for impairment on an annual basis at the end of the fiscal year if there are indicators of impairment. If there is an indicator of impairment, the Nation determines if there is a significant adverse change in the expected amount or timing of future cash flows from the financial asset. If there is a significant adverse change in the expected cash flows, the carrying value of the financial asset is reduced to the highest of the present value of the expected cash flows, the amount that could be realized from selling the financial asset or the amount the Nation expects to realize by exercising its right to any collateral. If events and circumstances reverse in a future year, an impairment loss will be reversed to the extent of the improvement, not exceeding the initial carrying value.

(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.

SAIK'UZ FIRST NATION

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2022

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 declining balance method and following annual rates:

Asset	Rate
Automotive equipment	20%
Buildings and infrastructure	4%
Engineered structures	2%
Equipment	20%

When management determines that a tangible capital asset no longer contributes to the Nation'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.

(g) Revenue recognition:

Government transfers and grant revenue are recognized as the Nation 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 income, including interest, rent and own source are recognized in the period the services are provided and the related proceeds are received or receivable.

SAIK'UZ FIRST NATION

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2022

1. Significant accounting policies (continued):

(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.

(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.

SAIK'UZ FIRST NATION

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2022

1. Significant accounting policies (continued):

(k) 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; provisions for impairment of accounts receivable; and accrued liabilities. Actual results could differ from those estimates.

(l) Budget data:

A formal budget was not approved by Chief and Council for the 2022 fiscal year, therefore, a budget has not been presented.

2. Accounts receivable:

	2022	2021
Province of British Columbia	\$ 8,017	\$ 87,200
Carrier Sekani Family Services	707,994	106,202
Indigenous Services Canada	428,225	31,000
Member loans and staff advances	41,868	34,114
Nechako Lumber Co. Ltd	208,348	89,580
Carrier Sekani Tribal Council	18,000	1,241,099
Coastal GasLink	258,210	-
Prince George Nechako Aboriginal Employment and Training Association	187,828	-
Canada Revenue Agency	121,811	-
Other	238,767	197,112
	<u>\$ 2,219,068</u>	<u>\$ 1,786,307</u>

SAIK'UZ FIRST NATION

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2022

3. Investments in government business entities:

	Investments	Advances	2022	2021
Lhai Ventures GP Corp.	\$ 1	\$ (1)	\$ -	\$ -
Saik'uz Development Corporation	120	-	120	120
Saik'uz Yun K Ut	2	-	2	2
Tagi Contracting Limited Partnership	2,341,232	18,345	2,359,576	1,576,870
Tagi Resources Limited Partnership	-	156,345	156,345	153,472
Tagi Forestry Limited Partnership	-	724	724	-
Tin Toh Forest Products Ltd.	68,910	-	68,910	68,910
Tin Toh Forest Products LLP	2,190,713	198,683	2,389,396	1,929,771
0944099 BC Ltd.	1,413	-	1,413	1,089
	\$ 4,602,391	\$ 374,096	\$ 4,976,486	\$ 3,730,234

The Nation's share of the earnings in its equity accounted investee for the year was:

	2022
0944099 BC Ltd.	\$ 324
Tagi Contracting Limited Partnership	764,362
Tin Toh Forest Products LLP	323,192
	\$ 1,087,878

SAIK'UZ FIRST NATION

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2022

3. Investments in government business entities (continued):

	2022	2021
0944099 BC Ltd. (ownership 100%)		
Financial position:		
Assets	\$ 1,417	\$ 1,089
Equity	(1,417)	(1,089)
Results of operations:		
Revenues	324	1,237
Net earnings	324	1,237
Tin Toh Forest Products LLP (ownership 99.99%)		
Financial position:		
Assets	\$ 2,790,041	\$ 2,677,862
Liabilities	(737,899)	(802,341)
Equity	(2,052,142)	(1,875,521)
Results of operations:		
Revenues	3,698,387	3,970,679
Expenses	(3,374,871)	(2,733,569)
Net earnings	323,516	1,237,110
Tagi Contracting Limited Partnership (ownership 99.99%)		
Financial position:		
Assets	\$ 2,442,794	\$ 1,645,545
Liabilities	101,562	68,675
Equity	2,341,232	1,576,870
Results of operations:		
Revenues	764,449	1,576,892
Expenses	(87)	(22)
Net earnings	764,362	1,576,870

Shares and partnership units are held by the Nation, as represented by Chief and Council, on behalf of and for the benefit of the Saik'uz First Nation membership.

There were no material operations in the fiscal year ended March 31, 2022 for Saik'uz Development Corporation Ltd., Tagi Resources Limited Partnership, Tagi Resources Corporation, Tagi Forestry Limited Partnership, Tagi Forestry Corporation, Tagi Contracting Corporation, Tagi Forest Products Ltd., Tin Toh Forest Products Ltd., Lhai Ventures GP Corp. and Saik'uz Yun K Ut.

SAIK'UZ FIRST NATION

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2022

4. Ottawa Trust Fund:

	Capital	Revenue	2022	2021
Balance, beginning of year	\$ 777,179	\$ 205,700	\$ 982,879	\$ 994,236
Interest	-	20,877	20,877	13,643
Withdrawal	-	(25,000)	(25,000)	(25,000)
	\$ 777,179	\$ 201,577	\$ 978,756	\$ 982,879

The Ottawa Trust Funds arise from monies 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 and 69 of the "Indian Act".

5. Accounts payable and accrued liabilities:

	2022	2021
Trade payables	\$ 864,935	\$ 393,996
Indigenous Service Canada payable	-	46,072
Accrued payables	155,224	155,556
Wages and benefits	219,527	89,544
	\$ 1,239,686	\$ 685,168

6. Deferred revenue:

	2022	2021 (restated - note 13)
Canada Mortgage and Housing Corporation - Rapid Housing	\$ 1,750,923	\$ -
Indigenous Services Canada - Emergency Preparedness	-	255,197
Indigenous Services Canada - Community Support	-	2,587
First Peoples' Heritage, Language and Culture Council	112,053	-
Prince George Nechako Aboriginal Employment and Training Association	-	21,149
	\$ 1,862,976	\$ 278,933

SAIK'UZ FIRST NATION

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2022

7. Long-term debt:

	2022	2021
Demand loan repayable in monthly instalments of \$4,358 including interest at 3.21% per annum, secured by a Government of Canada ministerial guarantee, renewal due March 2023.	\$ 51,988	\$ 101,740
Term loan repayable in monthly instalments of \$2,200 including interest at 4.65% per annum, secured by a Government of Canada ministerial guarantee, due April 2023.	376,038	384,727
	<u>\$ 428,026</u>	<u>\$ 486,467</u>

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

2023	\$ 61,094
2024	366,932
	<u>\$ 428,026</u>

SAIK'UZ FIRST NATION

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2022

8. Tangible capital assets:

		2022					
		Land	Buildings and infrastructure	Engineered structures	Equipment	Automotive equipment	Total
Cost:							
Balance, beginning of year	\$	67,000	\$ 21,576,150	\$ 9,079,333	\$ 398,235	\$ 938,576	\$ 32,059,294
Additions		-	2,928,511	64,185	125,652	-	3,118,348
Balance, end of year		67,000	24,504,661	9,143,518	523,887	938,576	35,177,642
Accumulated amortization:							
Balance, beginning of year		-	8,845,593	3,790,437	285,105	500,955	13,422,090
Amortization expenses		-	504,533	105,778	116,913	-	727,224
Balance, end of year		-	9,350,126	3,896,215	402,018	500,955	14,149,314
Net book value, end of year	\$	67,000	\$ 15,154,535	\$ 5,247,303	\$ 121,869	\$ 437,621	\$ 21,028,328
		2021					
		Land	Buildings and infrastructure	Engineering structures	Equipment	Automotive equipment	Total
Cost:							
Balance, beginning of year	\$	67,000	\$ 21,532,650	\$ 9,079,333	\$ 398,235	\$ 901,338	\$ 31,978,556
Additions		-	43,500	-	-	37,238	80,738
Balance, end of year		67,000	21,576,150	9,079,333	398,235	938,576	32,059,294
Accumulated amortization:							
Balance, beginning of year		-	8,320,038	3,682,500	258,334	387,800	12,648,672
Amortization expenses		-	525,555	107,937	26,771	113,155	773,418
Balance, end of year		-	8,845,593	3,790,437	285,105	500,955	13,422,090
Net book value, end of year	\$	67,000	\$ 12,730,557	\$ 5,288,896	\$ 113,130	\$ 437,621	\$ 18,637,204

SAIK'UZ FIRST NATION

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2022

9. Other income:

	2022	2021
Aboriginal Head Start	\$ 106,750	\$ 113,123
BC First Nations Gaming Revenue Sharing Limited Partnership	285,968	504,579
Busing	25,000	(10,636)
Catering	71,012	109,490
Coastal Gaslink	299,400	456,998
First Nations Health Authority	482,658	390,612
Interest	67,985	68,796
Language programs	230,852	320,120
Nechako Lumber Co. Ltd.	1,380,518	1,020,662
Other	953,728	1,183,247
Property and equipment rentals	260,463	295,378
Wellness programs	164,634	59,126
First Peoples' Cultural Council	36,499	-
	<u>\$ 4,365,467</u>	<u>\$ 4,511,495</u>

10. Segmented information:

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:

a) Administration and Finance:

The Administration department ensures the efficient performance of all of Saik'uz First Nation's departments. Employees in the Administration department act as a connecting link between the different departments, but also between the membership, Chief and Council, and other staff. The Finance department is responsible for management of the organization's cashflow and ensuring there are enough funds available to meet the day-to-day payments. Where there are cash needs beyond day-to-day working capital, the finance department advises on and sources longer-term financing.

SAIK'UZ FIRST NATION

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2022

10. Segmented information (continued):

b) Catering:

The Catering department is responsible for the preparation and serving of food to attendees at catered events at any of the Saik'uz offices. The Catering department additionally, seeks out opportunities through off-site catering events and provides support to the community through the organization and distribution of food hampers in times of need.

c) Culture and Language:

The Culture & Language department seeks to preserve, document, and share knowledge of the Saik'uz language and cultural practices for current and future generations.

d) Daycare:

The Saik'uz Daycare provides childcare support to parents and guardians of pre-school-aged children in the Saik'uz area.

e) Economic Development:

The Economic Development department deploys programs, policies, and other activities to improve the economic well-being and quality of life for the Saik'uz community and membership.

f) Education, Training, and Employment:

The Education, Training, & Employment department administers, coordinates support and assistance, and advocates and establishes policy for members attending education of all levels, regardless of age. It also provides these services for members seeking to improve their employability or meet employment requirements.

g) Gaming:

BC First Nations Gaming Revenue Sharing Limited Partnership Agreement will facilitate the achievement of providing a consistent, sustainable and long-term source of funding and support in furtherance of self-government and self-determination for all First Nations communities in British Columbia. These funds are to be used for Health and wellness; Infrastructure, safety, transportation and housing; Economic and business development; Education, language, culture, and training; Community development and environmental protection; Capacity building, fiscal management and governance; Permitted Investments, and Permitted Expenses.

SAIK'UZ FIRST NATION

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2022

10. Segmented information (continued):

h) Health:

The Health department seeks to promote and safeguard the health of the Saik'uz First Nation membership by advocating for, assisting access to, and providing or coordinating health services to those in need.

i) Housing and Membership:

The Housing & Membership department collaborates with the Housing Committee to provide safe housing for Saik'uz community members, collect rents, conduct repairs, and otherwise manage the state of housing in the community. Additionally, Housing & Membership assists members in obtaining or renewing their Status or Secured Status cards and with other needs pertaining to their status as a Registered Indian.

j) Land and Resources:

The Land & Resources is responsible for the management of the land and resources within Saik'uz territory through advocacy, negotiation, monitoring, documentation, and knowledge-sharing.

k) Recreation:

The Recreation department is responsible for engaging the community on healthy lifestyle choices and for providing and facilitating recreational opportunities for youth.

l) Social Development:

The Social Development department focuses on providing the Nation members in need with a system of supports to help them achieve their social economic potential.

SAIK'UZ FIRST NATION

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2022

10. Segmented information (continued):

	2022						
	Administration	Catering	Daycare	Economic development	Education, Training, & Employment	Gaming	Health
Revenue:							
Carrier Sekani Family Services	\$ -	\$ -	\$ 33,608	\$ -	\$ -	\$ -	\$ 512,746
Carrier Sekani Tribal Council	154,840	-	-	-	-	-	-
Indigenous Services Canada	2,857,439	-	-	93,236	1,143,462	-	50,000
Other	1,879,137	71,534	408,672	20,020	108,421	285,968	466,731
Prince George Nechako Aboriginal Employment and Training Association	-	-	280,295	-	247,812	-	-
Province of British Columbia	-	-	133,236	-	63,988	-	-
Ottawa Trust Funds	20,877	-	-	-	-	-	-
Total revenue	4,912,293	71,534	855,811	113,256	1,563,683	285,968	1,029,477

SAIK'UZ FIRST NATION

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2022

10. Segmented information (continued):

	2022								Total
	Housing and membership	Land and resources	Language and culture	Operations and maintenance	Pathways Forward	Prevention	Recreation	Social development	
Revenue (continued):									
Carrier Sekani Family Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 596,571	\$ -	\$ -	\$ 1,142,925
Carrier Sekani Tribal Council	-	922,502	-	-	1,789,110	-	-	-	2,866,452
Indigenous Services Canada	1,065,740	162,650	7,940	1,130,358	-	-	-	1,885,284	8,396,109
Other	286,910	558,464	248,138	-	-	-	28,122	3,350	4,365,467
Prince George Nechako Aboriginal Employment and Training Association	-	-	-	-	-	-	-	-	528,107
Province of British Columbia	-	-	-	-	-	-	-	-	197,224
Ottawa Trust Funds	-	-	-	-	-	-	-	-	20,877
Canada Mortgage and Housing Corporation	2,258,266	-	-	-	-	-	-	-	2,258,266
Total revenue	3,610,916	1,643,616	256,078	1,130,358	1,789,110	596,571	28,122	1,888,634	19,775,427

SAIK'UZ FIRST NATION

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2022

10. Segmented information (continued):

	2022						
	Administration	Catering	Daycare	Economic development	Education, Training, & Employment	Gaming	Health
Expenses:							
Amortization	727,224	-	-	-	-	-	-
Contract Services	127,177	55,780	73,183	-	14,357	-	99,180
Honoraria	206,752	-	12,265	-	18,300	-	3,060
Insurance	222,440	-	-	-	-	-	-
Materials and supplies	95,092	4,644	83,075	597	53,420	126,103	35,407
Office and other	177,322	570	12,224	1,068	2,055,892	-	60,273
Professional services	991,539	-	9,183	5,975	-	-	25,138
Program allowances	428	-	-	-	-	34,625	-
Repairs and maintenance	81,745	225	9,022	-	2,212	125,240	18,467
Telephone and utilities	87,155	-	16,247	900	19,590	-	27,216
Travel and training	84,619	2,002	10,135	1,139	271,794	-	31,974
Wages and benefits	836,808	54,663	418,415	70,171	90,235	-	250,354
Total expenses	3,638,301	117,884	643,749	79,850	2,525,800	285,968	551,069
Annual surplus (deficit) before the under noted items	1,273,992	(46,350)	212,062	33,406	(962,117)	-	478,408
Equity from investments in government business entities	-	-	-	-	-	-	-
	-	-	-	1,087,878	-	-	-
Surplus (deficit)	\$ 1,273,992	\$ (46,350)	\$ 212,062	\$ 1,121,284	\$ (962,117)	\$ -	\$ 478,408

SAIK'UZ FIRST NATION

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2022

10. Segmented information (continued):

	2022								Total
	Housing and membership	Land and resources	Language and culture	Operations and maintenance	Pathways Forward	Prevention	Recreation	Social development	
Expenses (continued):									
Amortization	-	-	-	-	-	-	-	-	727,224
Contract Services	9,066	103,249	5,863	11,480	30,039	7,908	(1,412)	110	535,980
Honoraria	-	750	58,532	-	5,000	-	-	2,100	306,759
Insurance	10,155	3,620	-	700	-	-	-	-	236,915
Materials and supplies	1,595	45,717	9,138	23,614	287	29,454	2,034	26,914	537,091
Office and other	234	88,632	629	3,023	-	-	936	529	2,401,331
Professional services	-	75,129	8,264	-	-	-	7,306	-	1,122,534
Program allowances	-	-	15,035	571	-	-	-	1,120,557	1,171,216
Repairs and maintenance	364,606	12,058	766	156,748	-	-	137	2,474	773,700
Telephone and utilities	2,244	750	900	116,750	-	-	900	1,718	274,370
Travel and training	1,917	49,223	3,702	-	-	147,758	1,600	658	606,521
Wages and benefits	201,416	555,465	192,105	140,008	113,750	-	32,590	162,270	3,118,250
Total expenses	591,233	934,593	294,934	452,894	149,076	185,120	44,091	1,317,330	11,811,892
Annual surplus (deficit) before the under noted items	3,019,683	709,023	(38,856)	677,464	1,640,034	411,451	(15,969)	571,304	7,963,535
Equity from investments in government business entities	-	-	-	-	-	-	-	-	1,087,878
Surplus (deficit)	\$ 3,019,683	\$ 709,023	\$ (38,856)	\$ 677,464	\$ 1,640,034	\$ 411,451	\$ (15,969)	\$ 571,304	\$ 9,051,413

SAIK'UZ FIRST NATION

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2022

10. Segmented information (continued):

	2021 (restated - note 13)						
	Administration	Catering	Daycare	Economic development	Education, Training, & Employment	Gaming	Health
Revenue:							
Carrier Sekani Family Services	\$ (12,206)	\$ -	\$ 15,975	\$ -	\$ -	\$ -	\$ 525,000
Carrier Sekani Tribal Council	(525)	-	-	-	-	-	-
Indigenous Services Canada	2,310,906	-	18,278	118,236	613,454	-	-
Other	1,395,427	119,376	185,205	20,225	37,766	504,579	442,138
Prince George Nechako Aboriginal Employment and Training Association	-	-	93,592	-	225,019	-	-
Province of British Columbia	-	-	59,757	-	128,700	-	-
Total revenue	3,693,602	119,376	372,807	138,461	1,004,939	504,579	967,138

SAIK'UZ FIRST NATION

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2022

10. Segmented information (continued):

	2021 (restated - note 13)								
	Housing and membership	Land and resources	Language and culture	Operations and maintenance	Pathways Forward	Recreation	Social development	Treaty	Total
Revenue (continued):									
Carrier Sekani Family Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 528,769
Carrier Sekani Tribal Council	-	1,329,899	-	-	4,021,583	-	-	-	5,350,957
Indigenous Services Canada	495,964	-	7,202	632,464	-	-	1,703,509	-	5,900,013
Other	391,275	854,160	489,759	2,068	-	38,837	680	-	4,511,495
Prince George Nechako Aboriginal Employment and Training Association	15,321	-	-	-	-	-	-	-	333,932
Province of British Columbia	-	955,000	-	-	-	-	-	-	1,143,457
Ottawa trust funds	13,643	-	-	-	-	-	-	-	13,643
Total revenue	916,203	3,139,059	496,961	634,532	4,021,583	38,837	1,704,189	-	17,782,266

SAIK'UZ FIRST NATION

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2022

10. Segmented information (continued):

	2021 (restated - note 13)						
	Administration	Catering	Daycare	Economic development	Education, Training, & Employment	Gaming	Health
Expenses:							
Amortization	773,418	-	-	-	-	-	-
Contract Services	17,084	50,008	7,326	7,280	17,141	-	4,276
Honoraria	184,281	-	-	-	450	-	-
Insurance	180,221	-	-	-	-	-	382
Materials and supplies	226,005	3,406	20,310	7,955	30,215	504,579	32,902
Office and other	43,891	10,477	2,905	837	341,392	-	7,501
Professional services	1,162,980	-	5,640	29,151	-	-	17,050
Program allowances	34,058	-	249	-	-	-	1,037
Repairs and maintenance	70,762	1,241	3,584	-	51	-	22,927
Telephone and utilities	66,262	-	11,449	450	23,874	-	13,651
Travel and training	30,749	4,489	2,284	1,151	366,896	-	26,594
Wages and benefits	835,667	56,590	260,294	49,632	148,564	-	260,484
Total expenses	3,625,378	126,211	314,041	96,456	928,583	504,579	386,804
Annual surplus (deficit) before the under noted items	68,224	(6,835)	58,766	42,005	76,356	-	580,334
Recoveries by Government of Canada	-	-	-	-	-	-	-
Equity from investments in government business entities	-	-	-	2,813,980	-	-	-
Surplus (deficit)	\$ 68,224	\$ (6,835)	\$ 58,766	\$ 2,855,985	\$ 76,356	\$ -	\$ 580,334

SAIK'UZ FIRST NATION

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2022

10. Segmented information (continued):

	2021 (restated - note 13)								Total
	Housing and membership	Land and resources	Language and culture	Operations and maintenance	Pathways Forward	Recreation	Social development	Treaty	
Expenses (continued):									
Amortization	-	-	-	-	-	-	-	-	773,418
Contract Services	61,233	300,208	26,746	1,823	1,289	2,018	113	-	496,545
Honoraria	-	-	-	-	-	-	-	-	184,731
Insurance	-	3,839	-	-	-	-	-	-	184,442
Materials and supplies	3,604	22,688	53,791	47,030	1,480	11,264	58,298	-	1,023,527
Office and other	2,983	93,485	1,166	2,250	-	1,392	91	-	508,370
Professional services	-	118,992	123,388	-	-	1,226	2,663	-	1,461,090
Program allowances	-	-	34,341	97	-	-	1,583,723	-	1,653,505
Repairs and maintenance	126,548	7,549	805	89,666	-	1,038	1,119	-	325,290
Telephone and utilities	60	450	450	87,155	-	300	906	-	205,007
Travel and training	14,147	20,063	70,608	5,163	-	2,486	2,973	-	547,603
Wages and benefits	231,463	408,519	126,154	131,349	33,767	49,155	126,578	-	2,718,216
Total expenses	440,038	975,793	437,449	364,533	36,536	68,879	1,776,464	-	10,081,744
Annual surplus before the under noted items	476,165	2,163,266	59,512	269,999	3,985,047	(30,042)	(72,275)	-	7,700,522
Recoveries by Government of Canada	-	-	-	-	-	-	(2,196)	-	(2,196)
Equity from investments in government business entities	-	-	-	-	-	-	-	-	2,813,980
Surplus (deficit)	\$ 476,165	\$ 2,163,266	\$ 59,512	\$ 269,999	\$ 3,985,047	\$ (30,042)	\$ (74,471)	\$ -	\$ 10,512,307

SAIK'UZ FIRST NATION

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2022

11. 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 is contingently liable for a line of credit and lease facility agreement on behalf of Tin Toh Forest Products LLP. As at March 31, 2022, the maximum liability for the line of credit and lease facility is \$240,000 and \$100,000, respectively.

The Nation owns a building that management has determined is contaminated. As at March 31, 2022, the Nation has no current plans to disturb and remediate the contamination. The extent of the impact has not yet been determined.

12. Accumulated surplus:

	2022	2021 (restated - note 13)
Operating fund:		
Administration	683,623	1,855,073
Catering	(78,811)	(32,461)
Daycare and headstart	536,405	324,343
Economic development	3,060,597	1,939,313
Education	(1,042,517)	(80,400)
Health	1,412,031	933,623
Housing and membership	2,269,105	(750,578)
Land and resources	5,210,293	4,501,270
Language and culture	172,913	211,769
Operations and maintenance	894,321	216,857
Pathways	8,813,121	7,173,087
Prevention	411,451	-
Recreation	(91,818)	(75,849)
Social development	347,007	(224,297)
	22,597,721	15,991,750
Invested in tangible capital assets	20,600,302	18,150,737
Ottawa Trust funds	978,756	982,879
Treaty	176,667	176,667
	44,353,446	35,302,033

SAIK'UZ FIRST NATION

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2022

13. Restatement:

During the year, it was identified that certain Indigenous Services Canada revenue that was received and deferred in fiscal 2021 should have been recognized as revenue as the performance obligations stated in the agreement had been met in fiscal 2021. The Nation has determined that the following adjustments were required to restate the 2021 comparative information presented in order to correct for this error.

	As previously reported	Increase (decrease)	As restated
Consolidated Statement of Financial Position:			
Deferred revenue	\$ 751,237	\$ (472,304)	\$ 278,933
Liabilities	1,922,872	(472,304)	1,450,568
Net financial assets	16,179,879	472,304	16,652,183
Accumulated surplus	34,829,729	472,304	35,302,033
Consolidated Statement of Operations:			
Revenue:			
Indigenous Services Canada	5,427,709	472,304	5,900,013
Total revenue	17,309,963	472,304	17,782,267
Annual surplus before other income (expenses)	7,228,219	472,304	7,700,522
Annual surplus	10,040,003	472,304	10,512,307
Accumulated surplus, end of year	34,829,729	472,304	35,302,033
Consolidated Statement of Changes in Net Financial Assets:			
Annual surplus	10,040,003	472,304	10,512,307
Increase in net financial assets	10,727,913	472,304	11,200,217
Net financial assets, end of year	16,179,879	472,304	16,652,183
Consolidated statement of Cash Flows:			
Annual surplus	10,040,003	472,304	10,512,307
Deferred revenue	720,853	(472,304)	248,549

14. 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.