

ENIYUD COMMUNITY FORESTS LIMITED PARTNERSHIP
Financial Information
Ten Month Period Ended March 31, 2023

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COMPILATION ENGAGEMENT REPORT

To the Directors of Eniyud Community Forests Limited Partnership

On the basis of information provided by management, we have compiled the balance sheet of Eniyud Community Forests Limited Partnership as at March 31, 2023, and the statements of partners' capital and income for the ten month period then ended, and Note 1, which describes the basis of accounting applied in the preparation of the compiled financial information and other explanatory information ("financial information").

Management is responsible for the accompanying financial information, including the accuracy and completeness of the underlying information used to compile it and the selection of the basis of accounting.

We performed this engagement in accordance with Canadian Standard on Related Services (CSRS) 4200, *Compilation Engagements*, which requires us to comply with relevant ethical requirements. Our responsibility is to assist management in the preparation of the financial information.

We did not perform an audit engagement or a review engagement, nor were we required to perform procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an audit opinion or a review conclusion, or provide any form of assurance on the financial information.

Readers are cautioned that the financial information may not be appropriate for their purposes.

Williams Lake, BC
September 29, 2023


PMT CHARTERED PROFESSIONAL
ACCOUNTANTS LLP


ENIYUD COMMUNITY FORESTS LIMITED PARTNERSHIP

Balance Sheet


March 31, 2023

ASSETS	
Current	
Cash	\$ 4,687,794
Term deposits	1,534,588
Accounts receivable	25,345
Prepaid expenses	<u>15,511</u>
	6,263,238
Intangible assets	1
Goodwill	<u>1</u>
	<u>\$ 6,263,240</u>
LIABILITIES	
Current	
Accounts payable and accrued liabilities	\$ 626,084
Siviculture liability	<u>552,944</u>
	1,179,028
PARTNERS' CAPITAL	
Partners' capital	<u>5,084,212</u>
	<u>\$ 6,263,240</u>

APPROVED BY THE PARTNERS



Partner



Partner

The accompanying notes are an integral part of this statement

ENIYUD COMMUNITY FORESTS LIMITED PARTNERSHIP**Statement of Partners' Capital****Ten Month Period Ended March 31, 2023**

	Eniyud Community Forests Ltd.	Tatla Resource Association	Tsideldel First Nation	2023
Balance - beginning of period	\$ -	\$ -	\$ -	\$ -
Net Income	(9,560)	2,530,528	2,530,528	5,051,496
Contributions	30,716	1,000	1,000	32,716
Balance - end of period	\$ 21,156	\$ 2,531,528	\$ 2,531,528	\$ 5,084,212

The accompanying notes are an integral part of this statement

ENIYUD COMMUNITY FORESTS LIMITED PARTNERSHIP**Statement of Income****Ten Month Period Ended March 31, 2023**

Revenue	
Log sales	\$ 5,726,518
Project funding	793,200
Delivery allowance	<u>35,932</u>
	<u>6,555,650</u>
Direct costs	
Contractors	490,606
Insurance and licences	1,537
Management fees	147,748
Planning	42,864
Post-harvest activities	37,573
Purchases	30,714
Rentals	3,653
Siviculture	<u>779,294</u>
	<u>1,533,989</u>
Gross profit	<u>5,021,661</u>
General and administrative expenses	
Bank charges and interest	195
Professional fees	<u>41,475</u>
	<u>41,670</u>
Income from operations	4,979,991
Other income	
Interest income	<u>71,505</u>
Net income	<u>\$ 5,051,496</u>

The accompanying notes are an integral part of this statement

ENIYUD COMMUNITY FORESTS LIMITED PARTNERSHIP

Notes to Financial Information

Ten Month Period Ended March 31, 2023

1. Basis of accounting

The basis of accounting applied in the preparation of the balance sheet of Eniyud Community Forests Limited Partnership as at March 31, 2023, and the statements of partners' capital and income for the ten month period then ended is the historical cost basis and reflects cash transactions with the addition of:

- Accounts receivable
- Term deposits recorded at cost
- Prepaid expenses over the specified term of the expense
- Intangible assets consist of timber license recorded at cost
- Goodwill recorded at cost
- Accounts payable and accrued liabilities
- Silviculture accrued liability as estimated by the current cost of reforestation
- Revenue from log sales is recognized when scaled and delivered.

2. Description of business

The Tsideldel First Nation and the Tatla Resource Association formed the Eniyud Community Forests Limited Partnership (the "Partnership") to carry on the business of managing a community forest, with a view to profit, in a safe and ecologically sound manner that enables forestry and tourism to prosper, preserves First Nations traditional uses of the land base and encourages community stability.

3. Partnership units

Issued

20,000 Common units	\$	2,000
1,000 Class A Preferred units		<u>30,716</u>
	\$	<u>32,716</u>

Class A Preferred units were issued as consideration for assets transferred to the Partnership. The fair market value of the Preferred units is \$4,085.289 per unit or \$4,085,289.00 in aggregate.

4. Allocation of net income and net loss

The net income and net loss shall be allocated, at the end of each fiscal period, as follows:

1. Net income shall be allocated first to the Preferred units, calculated as 1% times the fair market value of the capital contribution of the Preferred units at the time of allocation
2. After the allocation to the Preferred units, remaining net income is allocated pro-rata to the Limited Partners (99.999%) and General Partner (0.001%)
3. All net losses shall be allocated to the holders of the Common units.

5. Comparative figures

The partnership was established May 25, 2022. As such, there are no comparative figures to present.