

**Yale First Nation
Consolidated Financial Statements
*March 31, 2023***

Yale First Nation Contents

For the year ended March 31, 2023

	Page
Independent Auditor's Report	
Consolidated Financial Statements	
Consolidated Statement of Financial Position.....	1
Consolidated Statement of Operations and Accumulated Surplus.....	2
Consolidated Statement of Remeasurement Gains and Losses.....	3
Consolidated Statement of Change in Net Financial Assets.....	4
Consolidated Statement of Cash Flows.....	5
Notes to the Consolidated Financial Statements.....	6
Schedules	
Schedule 1 - Schedule of Tangible Capital Assets.....	16
Schedule 2 - Segmented Information.....	11

To the Members of Yale First Nation:

Opinion

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

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the First Nation as at March 31, 2023, and the results of its consolidated operations, its consolidated remeasurement gains and losses, changes in its consolidated net financial assets 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 Consolidated Financial Statements section of our report. We are independent of the First Nation in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the First 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 First Nation or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the First Nation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the First Nation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the First Nation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Chilliwack, British Columbia

October 4, 2024

MNP LLP

Chartered Professional Accountants

Yale First Nation
Consolidated Statement of Financial Position
As at March 31, 2023

	2023	2022
Financial assets		
Cash and cash equivalents	2,972,241	10,883,872
Portfolio investments (Note 4)	6,179,255	110
Accounts receivable (Note 5)	772,579	802,628
Restricted cash (Note 6)	88,004	35,085
Inventory for resale	14,826	-
Funds held in trust (Note 7)	115,014	111,168
Investments in Nation business entities (Note 8)	2,580,005	1,609,513
Total of financial assets	12,721,924	13,442,376
Liabilities		
Accounts payable and accruals	340,752	3,737,987
Deferred revenue (Note 9)	767,070	397,453
Long-term debt (Note 10)	6,441,666	6,662,567
Total of financial liabilities	7,549,488	10,798,007
Net financial assets	5,172,436	2,644,369
Contingencies (Note 11)		
Non-financial assets		
Tangible capital assets (Schedule 1)	15,431,023	14,090,267
Prepaid expenses	51,168	74,444
Total non-financial assets	15,482,191	14,164,711
Accumulated surplus (Note 12)	20,654,627	16,809,080
Accumulated surplus is comprised of:		
Surplus	20,518,374	16,809,080
Accumulated remeasurement gains	136,253	-
	20,654,627	16,809,080

Approved on behalf of the Council

Original signed by Troy Peters

Chief

Original signed by Judith Moreno

Councillor

Original signed by Janita Peters

Councillor

Yale First Nation
Consolidated Statement of Operations and Accumulated Surplus
For the year ended March 31, 2023

	2023 Budget	2023	2022
Revenue			
Indigenous Services Canada	847,707	1,373,441	1,746,678
First Nation Health Authority	331,249	455,046	401,880
Canada Mortgage and Housing Corporation	44,266	47,832	94,266
Other government funding	19,873	27,529	208,386
Other revenue	386,016	3,552,491	268,105
Earnings from investment in Nation business entities	150,000	901,902	218,131
Investment income	242,459	575,540	242,484
Department of Fisheries and Oceans	434,764	299,264	439,264
Rental income	265,929	267,560	291,880
Province of BC	289,120	228,619	289,120
Pacific Salmon Commission	75,585	57,656	75,585
Ottawa Trust Income	2,489	3,846	2,489
New Relationship Trust	14,400	3,600	14,400
	3,103,857	7,794,326	4,292,668
Expenses			
Administration & Education	560,784	1,048,021	765,144
Health & Social Development	1,476,230	977,551	795,449
Housing	549,435	313,513	243,180
Capital Projects & Maintenance	451,183	213,926	157,772
Economic Development & Employment	781,532	1,205,757	663,967
Special Projects	389,651	110,395	91,709
Other Programs	200,000	215,869	206,407
	4,408,815	4,085,032	2,923,628
Annual surplus (deficit)	(1,304,958)	3,709,294	1,369,040
Accumulated surplus, beginning of year	16,809,080	16,809,080	15,440,040
Accumulated surplus, end of year	15,504,122	20,518,374	16,809,080

Yale First Nation
Consolidated Statement of Remeasurement Gains and Losses
For the year ended March 31, 2023

	2023	2022
Accumulated remeasurement gains, beginning of year	-	-
Unrealized gains attributable to:		
Portfolio investments	138,301	-
Amounts reclassified to the statement of operations:		
Portfolio investments	(2,048)	-
Change in remeasurement gains, for the year	136,253	-
Accumulated remeasurement gains, end of year	136,253	-

Yale First Nation
Consolidated Statement of Change in Net Financial Assets
For the year ended March 31, 2023

	2023 Budget	2023	2022
Annual surplus (deficit)			
Purchases of tangible capital assets	(1,304,958)	3,709,294	1,369,040
Amortization of tangible capital assets	200,000	(1,609,192)	(609,906)
Proceeds of disposal of tangible capital assets	-	223,109	213,188
Loss (gain) on disposal of tangible capital assets	-	24,000	160,000
	-	21,327	(32,670)
	200,000	(1,340,756)	(269,388)
Acquisition of prepaid expenses	-	(51,168)	(74,444)
Use of prepaid expenses	-	74,444	61,652
Change in remeasurement gains for the year	-	136,253	-
	-	159,529	(12,792)
Increase (decrease) in net financial assets	(1,104,958)	2,528,067	1,086,860
Net financial assets, beginning of year	2,644,369	2,644,369	1,557,509
Net financial assets (net debt), end of year	1,539,411	5,172,436	2,644,369

Yale First Nation
Consolidated Statement of Cash Flows
For the year ended March 31, 2023

	2023	2022
Cash provided by (used for) the following activities		
Operating activities		
Annual surplus (deficit)	3,709,294	1,369,040
Non-cash items		
Amortization	223,109	213,188
Earnings from Investment in Nation business entities	(901,902)	(218,131)
Loss (gain) on disposal of assets	21,327	(32,670)
Change in remeasurement gains	136,253	-
	3,188,081	1,331,427
Changes in working capital accounts		
Restricted cash	(52,919)	(11,347)
Accounts receivable	30,049	(398,425)
Prepaid expenses	23,276	(12,792)
Accounts payable and accruals	(3,397,235)	(888,580)
Deferred revenue	369,617	367,078
Inventory for resale	(14,826)	-
Funds held in trust	(3,846)	(2,489)
	142,197	384,872
Financing activities		
Advances of long-term debt	-	2,700,375
Repayment of long-term debt	(220,901)	(281,308)
	(220,901)	2,419,067
Capital activities		
Purchases of tangible capital assets	(1,609,192)	(609,906)
Proceeds of disposal of tangible capital assets	24,000	160,000
	(1,585,192)	(449,906)
Investing activities		
Purchase of portfolio investments	(6,179,145)	-
Advances to Nation business entities	(68,590)	(116,231)
Distributions from investments in Nation business entities	-	150,000
	(6,247,735)	33,769
Increase (decrease) in cash resources	(7,911,631)	2,387,802
Cash resources, beginning of year	10,883,872	8,496,070
Cash resources, end of year	2,972,241	10,883,872

Yale First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2023

1. Operations

Yale First Nation (the "First Nation") is located in the province of British Columbia, and provides various services to its members. Yale First Nation includes the Nation's members, government and all related entities that are accountable to the Nation and are either owned or controlled by the Nation.

2. Significant accounting policies

These consolidated financial statements are the representations of management, prepared in accordance with Canadian public sector accounting standards and including the following significant accounting policies:

Reporting entity

The consolidated financial statements consolidate the financial activities of all entities and departments comprising the First Nation reporting entity, except for government business entities. Trusts administered on behalf of third parties by Yale First Nation are excluded from the First Nation reporting entity.

The First Nation has consolidated the assets, liabilities, revenue and expenses of the following entities:

- Y.F.N. Developments Inc.
- Yale First Nation Community Trust

All inter-entity balances have been eliminated on consolidation; however, transactions between departments have not been eliminated in order to present the results of operations for each specific department.

Government business entities, owned or controlled by the First Nation's Council but not dependent on the First Nation for their continuing operations, are included in the consolidated financial statements using the modified equity method. Under the modified equity method, the equity method of accounting is modified only to the extent that the government business entity accounting principles are not adjusted to conform to those of the First Nation. Thus, the First Nation's investment in these entities is recorded at acquisition cost and is increased for the proportionate share of post acquisition earnings and decreased by post acquisition losses and distributions received. Entities accounted for by the modified equity basis include:

- Cascade Lower Canyon Community Forest Limited Partnership
- Smemela:lh Group Management Ltd.
- Stelmexw Enterprises Limited Partnership

Basis of presentation

Sources of revenue and expenses are recorded on the accrual basis of accounting. The accrual basis of accounting recognizes revenue as it becomes available and measurable; expenses are recognized as they are incurred and measurable as a result of the receipt of goods or services and the creation of a legal obligation to pay.

Asset classification

Assets are classified as either financial or non-financial. Financial assets are assets that could be used to discharge existing liabilities or finance future operations. Non-financial assets are acquired, constructed, or developed assets that do not normally provide resources to discharge existing liabilities but are employed to deliver government services, may be consumed in normal operations and are not for resale in the normal course of operations. Non-financial assets include tangible capital assets and prepaid expenses.

Net financial assets

The First Nation's consolidated financial statements are presented so as to highlight net financial assets as the measurement of financial position. The net financial assets of the First Nation is determined by its financial assets less its liabilities. Net financial assets combined with non-financial assets comprise a second indicator of financial position, accumulated annual surplus.

Cash and cash equivalents

Cash and cash equivalent include balances with banks and short-term investments with maturities of three months or less. Cash subject to restrictions that prevent its use for current purposes is included in restricted cash.

Yale First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2023

2. Significant accounting policies *(Continued from previous page)*

Portfolio investments

Portfolio investments with prices quoted in an active market are measured at fair value while those that are not quoted in an active market are measured at cost less impairment.

Inventory

Inventory is valued at the lower of cost and net realizable value. Cost is determined by the first-in, first-out method. Cost of inventories of items that are segregated for specific projects is assigned by using specific identification of their individual costs. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and selling costs.

Funds held in Ottawa Trust Fund

Funds held in trust on behalf of First Nation members by Indigenous Services Canada in the Ottawa Trust Fund are reported on the consolidated statement of financial position with an offsetting amount in accumulated surplus. Trust moneys consist of:

- Capital trust moneys derived from non-renewable resource transactions on the sale of land or other First Nation tangible capital assets; and
- Revenue trust moneys generated primarily through land leasing transactions or interest earned on deposits held in trust.

Tangible capital assets

Tangible capital assets are initially recorded at cost based on historical cost accounting records. Contributed tangible assets are recorded at their fair value at the date of contribution.

When conditions indicate that a tangible capital asset no longer contributes to the First Nation's ability to provide goods and services, or that the value of future economic benefits associated with a tangible capital asset is less than its net book value, the First Nation reduces the cost of the asset to reflect the decline in its value. Write-downs of tangible capital assets are not reversed.

Amortization

Tangible capital assets are amortized annually using the following methods at rates intended to amortize the cost of the assets over their estimated useful lives:

	Method	Rate
Band Housing and Buildings	straight-line	40 years
Machinery and Equipment	straight-line	10 years
Roads, Streets and Bridges	straight-line	50,75 years
Water and Sewer	straight-line	50,75 years

Long-lived assets

Long-lived assets consist of tangible capital assets. Long-lived assets held for use are measured and amortized as described in the applicable accounting policies.

The First Nation performs impairment testing on long-lived assets held for use whenever events or changes in circumstances indicate that the carrying amount of an asset, or group of assets, may not be recoverable. The carrying amount of a long-lived asset is not recoverable if the carrying amount exceeds the sum of the undiscounted future cash flows from its use and disposal. Impairment is measured as the amount by which the asset's carrying amount exceeds its fair value. Fair value is measured using quoted market prices. Any impairment is included in surplus for the year.

Revenue recognition

Funding

Revenue is recognized as it becomes receivable under the terms of applicable funding agreements. Funding received under funding arrangements that relate to a subsequent fiscal period are reflected as deferred revenue on the statement of financial position in the year of receipt.

Yale First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2023

2. Significant accounting policies *(Continued from previous page)*

Revenue recognition *(Continued from previous page)*

Government Transfers

The First Nation recognizes a government transfer as revenue when the transfer is authorized and all eligibility criteria, if any, have been met. A government transfer with stipulations giving rise to an obligation that meets the definition of a liability is recognized as a liability. In such circumstances, the First Nation recognizes revenue as the liability is settled. Transfers of non-depreciable assets are recognized in revenue when received or receivable.

Funds held in Ottawa Trust Fund

Due to measurement uncertainty, revenue related to the receipt of funds held in the Ottawa Trust Fund is recognized when it is received.

Rental revenue

Rental revenue is recorded in the year it is earned. At the end of each year, management evaluates whether rent revenue is collectible and records a bad debt expense and allowance for doubtful accounts for those amounts designated as unlikely to be collected.

Investments

The First Nation uses the modified equity investment to account for its investments in business entities as listed under reported entity. Investment income earned from portfolio investments is recognized in the period the income is earned.

Other revenue

Other revenue is recognized as revenues when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Measurement uncertainty

The preparation of consolidated financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenue and expenses during the reporting period.

Accounts receivable are stated after evaluation as to their collectability and an appropriate allowance for doubtful accounts is provided where considered necessary. Amortization is based on the estimated useful lives of tangible capital assets.

By their nature, these judgments are subject to measurement uncertainty, and the effect on the financial statements of changes in such estimates and assumptions in future years could be material. These estimates and assumptions are reviewed periodically and, as adjustments become necessary they are reported in earnings in the years in which they become known.

Segments

The First Nation conducts its business through seven reportable segments: Administration & Education, Health & Social Development, Housing, Capital Projects & Maintenance, Special Projects, Economic Development & Employment, and Other Programs. These operating segments are established by senior management to facilitate the achievement of the First Nation's long-term objectives to aid in resource allocation decisions, and to assess operational performance.

For each reported segment, revenue and expenses represent both amounts that are directly attributable to the segment and amounts that are allocated on a reasonable basis.

The accounting policies used in these segments are consistent with those followed in the preparation of the consolidated financial statements.

Yale First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2023

2. Significant accounting policies *(Continued from previous page)*

Asset retirement obligation

A liability for an asset retirement obligation is recognized at the best estimate of the amount required to retire a tangible capital asset (or a component thereof) at the consolidated financial statement date when there is a legal obligation for the First Nation to incur retirement costs in relation to a tangible capital asset (or component thereof), 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 best estimate of the liability includes all costs directly attributable to asset retirement activities, based on information available at March 31, 2023. The best estimate of an asset retirement obligation incorporates a present value technique, when the cash flows required to settle or otherwise extinguish an asset retirement obligation are expected to occur over extended future periods.

When a liability for an asset retirement obligation is initially recognized, a corresponding asset retirement cost is capitalized to the carrying amount of the related tangible capital asset (or component thereof). The asset retirement cost is amortized over the useful life of the related asset.

At each financial reporting date, the First Nation reviews the carrying amount of the liability. The First Nation recognizes period-to-period changes to the liability due to the passage of time as accretion expense. Changes to the liability arising from revisions to either the timing, the amount of the original estimate of undiscounted cash flows or the discount rate are recognized as an increase or decrease to the carrying amount of the related tangible capital asset.

The First Nation continues to recognize the liability until it is settled or otherwise extinguished. Disbursements made to settle the liability are deducted from the reported liability when they are made.

Statement of Remeasurement Gains and Losses

By presenting remeasurement gains (losses) separately, changes in the carrying value of financial instruments arising from fair value measurement, unrealized foreign exchange gains (losses) and other comprehensive income arising from investments in government business entities are distinguished from revenues and expenses reported in the consolidated statement of operations. The consolidated statement of operations reports the extent to which revenues raised in the period were sufficient to meet the expenses incurred. Remeasurement gains (losses) do not affect this assessment as they are recognized in the consolidated statement of remeasurement gains and losses. Taken together, the two statements account for changes in a First Nation's net assets (liabilities) in the period.

Upon settlement, the cumulative gain (loss) is reclassified from the consolidated statement of remeasurement gains and losses and recognized in the consolidated statement of operations. Interest and dividends attributable to all financial instruments are reported in the statement of operations.

Financial instruments

The First Nation recognizes its financial instruments when the First Nation becomes party to the contractual provisions of the financial instrument. All financial instruments are initially recorded at their fair value.

At initial recognition, the First Nation may irrevocably elect to subsequently measure any financial instrument at fair value. The First Nation has not made such an election during the year.

The First Nation subsequently measures investments in equity instruments quoted in an active market and all derivative instruments, except those that are linked to, and must be settled by delivery of, unquoted equity instruments of another entity, at fair value. Fair value is determined by published price quotations. Transactions to purchase or sell these items are recorded on the trade date. Net gains and losses arising from changes in fair value are recognized in the consolidated statement of remeasurement gains and losses. Investments in equity instruments not quoted in an active market and derivatives that are linked to, and must be settled by delivery of, unquoted equity instruments of another entity, are subsequently measured at cost. With the exception of those instruments designated at fair value, all other financial assets and liabilities are subsequently measured at amortized cost using the effective interest rate method.

Transaction costs directly attributable to the origination, acquisition, issuance or assumption of financial instruments subsequently measured at fair value are immediately recognized in annual surplus. Conversely, transaction costs are added to the carrying amount for those financial instruments subsequently measured at cost or amortized cost.

Yale First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2023

2. Significant accounting policies *(Continued from previous page)*

Financial instruments *(Continued from previous page)*

All financial assets except derivatives are tested annually for impairment. Any impairment, which is not considered temporary, is recorded in the consolidated statement of operations. Write-downs of financial assets measured at cost and/or amortized cost to reflect losses in value are not reversed for subsequent increases in value. Reversals of any net remeasurements of financial assets measured at fair value are reported in the consolidated statement of remeasurement gains and losses.

3. Change in accounting policy

Effective April 1, 2022, the First Nation adopted the recommendations relating to the following accounting policies, as set out in the Canadian public sector accounting standards.

- PS 3280 *Asset Retirement Obligation*
- PS 3450 *Financial Instruments*

Pursuant to the recommendations, the change were applied prospectively, and prior periods have not been restated. The adoption of PS 3280 and PS 3450 did not have a material impact on the financial statements.

4. Portfolio investments

	2023	2022
Measured at cost:		
BC First Nations Gaming Revenue Sharing LP	100	100
BC First Nations Gaming Sharing General Partner Ltd.	10	10
	<hr/> 110	110
Measured at fair value:		
BMO Securities Portfolio - Yale First Nation Community Trust	6,179,145	-
	<hr/> 6,179,255	110

5. Accounts receivable

	2023	2022
Funding and trade receivables	772,579	802,628
Member loans receivable	101,016	101,016
Allowance for doubtful accounts	(101,016)	(101,016)
	<hr/> 772,579	802,628

6. Restricted cash

Under agreements with Canada Mortgage and Housing Corporation ("CMHC") the First Nation established a replacement reserve, funded by an annual allocation of \$11,100 (2022 - \$11,100), to ensure maintenance and replacement of buildings financed by CMHC. At March 31, 2023, \$88,004 has been set aside to fund this reserve (2022 - \$35,085). The reserve was underfunded by \$7,933 as at March 31, 2023 (2022 - \$56,601).

In accordance with terms of the agreements, CMHC reserve monies must be held or invested only in accounts or instruments guaranteed by the Canada Deposit Insurance Corporation, or as otherwise approved by CMHC. Reserve withdrawals are credited first to interest and then to principal.

Yale First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2023

7. Funds held in trust

Capital and revenue trust monies are transferred to the First Nation on the authorization of the Minister of Indigenous Services Canada, with the consent of the First Nation's Council.

	2023	2022
Capital Trust		
Balance, beginning and end of year	48,802	48,802
Revenue Trust		
Balance, beginning of year	62,366	59,878
Interest	3,441	2,094
BC Special distribution	405	394
Balance, end of year	66,212	62,366
	115,014	111,168

8. Investments in Nation business entities

The First Nation has investments in the following entities:

	2023			
	Investment cost	Loans / advances	Cumulative share of earnings (loss)	Total investment
First Nation Government Business Enterprises				
Cascade Lower Canyon Community Forest LP - 33%	33	-	1,394,108	1,394,141
Smemela:lh Group Management Ltd. - 100%	1	5,446	6	5,453
Stelmexw Enterprises LP - 99%	999	849,049	330,363	1,180,411
	1,033	854,495	1,724,477	2,580,005
	2022			
	Investment cost	Loans / advances	Cumulative share of earnings (loss)	Total investment
First Nation Government Business Enterprises				
Cascade Lower Canyon Community Forest LP - 33%	33	-	652,798	652,831
Smemela:lh Group Management Ltd. - 100%	1	3,401	-	3,402
Stelmexw Enterprises LP - 99%	999	782,506	169,775	953,280
	1,033	785,907	822,573	1,609,513

Yale First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2023

8. Investments in Nation business entities (Continued from previous page)

Summary financial information for each business enterprise, accounted for using the modified equity method, for the respective year-end is as follows:

	<i>Cascade Lower Canyon Community Forest LP</i> <i>As at March 31, 2023</i>	<i>Smemela:lh Group Management Ltd.</i> <i>As at December 31, 2022</i>	<i>Stelmexw Enterprises LP</i> <i>As at December 31, 2022</i>
Assets			
Cash	3,514,036	-	489,184
Accounts receivable	539,713	-	48,000
Prepaid expenses and deposits	8,081	-	-
Inventory	631,258	-	-
Investments	-	6	-
Advances to related parties	10,272	-	-
Property, plant and equipment	230,006	-	609,428
Total assets	4,933,366	6	1,146,612
Liabilities			
Accounts payable and accruals	747,950	-	264
Advances from related parties	-	3,401	814,980
Total liabilities	747,950	3,401	815,244
Equity (Deficit)	4,185,416	(3,395)	331,368
Total revenue	11,749,831	16	216,815
Total expenses	9,525,680	-	56,211
Net income	2,224,151	16	160,604

9. Deferred revenue

The following table represents changes in the deferred revenue balance attributable to each major category of external restrictions:

	<i>Balance, beginning of year</i>	<i>Contributions received</i>	<i>Contributions recognized</i>	<i>Balance, end of year</i>
Q3XJ-001 - New Construction (ICMS #9-00130298)	-	84,532	7,578	76,954
Q3XJ-002 - NAHS Construction (ICMS #9-00129425)	397,453	-	115,910	281,543
Q38M-001 - Major Renos, Extentions and Repairs	-	52,016	-	52,016
QA1E-001 - Project Administration	-	45,000	33,843	11,157
QA45-002/003 - Community Development Wrap Around	-	345,400	-	345,400
Indigenous Services Canada	397,453	526,948	157,331	767,070

Yale First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2023

10. Long-term debt

	2023	2022
Housing Project II - All Nations Trust Company mortgage, blended monthly payments of \$1,569 at 2.52% per annum, renewal date of September 1, 2023, maturing September 1, 2028.	96,649	112,837
Housing Project III - All Nations Trust Company mortgage, blended monthly payments of \$4,130 at 3.29% per annum, renewal date of September 1, 2027, maturing September 1, 2042.	713,895	741,905
Bank of Montreal, blended monthly payments of \$14,105 at 3.90% per annum, due October 31, 2026.	2,602,902	2,673,558
Bank of Montreal, blended monthly payments of \$10,592 at 2.58% per annum, due October 30, 2045.	2,173,777	2,243,817
Bank of Montreal, blended monthly payments of \$4,858 at 3.68% per annum, due February 28, 2025.	831,111	860,696
Bank of Montreal, blended monthly payments of \$739 at 5.49% per annum due October 15, 2025.	23,332	29,754
	6,441,666	6,662,567

Principal repayments on long-term debt in each of the next five years, assuming long-term debt subject to refinancing is renewed, are estimated as follows:

2024	219,854
2025	227,268
2026	233,597
2027	233,723
2028	241,438

11. Contingent liabilities

The First Nation may be contingently liable in respect of guaranteed housing mortgages which total \$625,136 (2022 - \$647,970).

12. Accumulated surplus

Accumulated surplus consists of the following:

	2023	2022
Accumulated remeasurement gains	136,253	-
Equity in CMHC Replacement Reserve	88,004	91,686
Equity in Nation business entities	2,580,005	1,609,513
Equity in Funds held in trust	115,014	111,168
Equity in Tangible Capital Assets	8,989,357	7,427,701
Operating Surplus	8,745,994	7,569,012
	20,654,627	16,809,080

Yale First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2023

13. Economic dependence

Yale First Nation receives a significant portion of its revenue from various government agreements. The ability of the First Nation to continue operations is dependent upon the continued financial commitments as guaranteed by these agreements.

14. Segments

The Nation conducts its business through seven reportable segments, which are differentiated by major activities, accountability and control relationships. The reportable segments and their activities are as follows:

Administration & Education

Includes general operations, support, financial management, and revenues and expenses relating to primary, secondary and post secondary education of the members of the Nation.

Health & Social Development

Includes activities related to the provision of health services and social programs within the Nation.

Housing

Includes activities related to the provision of housing to the members of the Nation.

Capital Projects & Maintenance

Includes revenues and expenditures for capital projects and maintenance projects associated with the Nation.

Special Projects

Includes activities related to the development of land and resources under community control, access to economic opportunities on land and resources beyond community control, investment promotion, as well as research and advocacy.

Economic Development & Employment

Includes activities related to the growth of revenue producing projects with the Nation, along with employment programs for the members of the Nation.

Other Programs

Includes activities related to capital assets, replacement reserve, and Ottawa Trust.

15. Financial Instruments

The First Nation as part of its operations carries a number of financial instruments. It is management's opinion that the First Nation is not exposed to significant interest, currency or credit risks arising from these financial instruments except as otherwise disclosed.

Fair Value of Financial Instruments

Financial instruments measured at fair value on the consolidated statement of financial position include portfolio investments quoted in active markets.

Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or foreign currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The First Nation enters into transactions to purchase and sell portfolio investments, for which the market price fluctuates.

Yale First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2023

15. Financial Instruments *(Continued from previous page)*

Interest rate risk

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. Changes in market interest rates may have an effect on the cash flows associated with some financial assets and liabilities, known as cash flow risk, and on the fair value of other financial assets or liabilities, known as price risk.

The First Nation is exposed to interest rate price risk with respect to fixed rate mortgages included in long-term debt.

The First Nation is exposed to interest rate price risk with respect to its bank accounts bearing a variable rate of interest.

Yale First Nation
Schedule 1 - Schedule of Tangible Capital Assets
For the year ended March 31, 2023

	<i>Band Housing and Building</i>	<i>Machinery and Equipment</i>	<i>Roads, Streets and Bridges</i>	<i>Water and Sewer</i>	<i>Land</i>	2023	2022
Cost							
Balance, beginning of year	4,380,577	521,391	610,542	3,778,756	6,173,442	15,464,708	15,036,702
Acquisition of tangible capital assets	218,782	240,040	-	-	1,150,370	1,609,192	609,906
Disposal of tangible capital assets	-	(49,414)	-	-	-	(49,414)	(181,900)
Balance, end of year	4,599,359	712,017	610,542	3,778,756	7,323,812	17,024,486	15,464,708
Accumulated amortization							
Balance, beginning of year	553,687	211,037	91,044	518,673	-	1,374,441	1,215,824
Annual amortization	112,249	47,195	8,201	55,464	-	223,109	213,188
Accumulated amortization on disposals	-	(4,087)	-	-	-	(4,087)	(54,571)
Balance, end of year	665,936	254,145	99,245	574,137	-	1,593,463	1,374,441
Net book value of tangible capital assets	3,933,423	457,872	511,297	3,204,619	7,323,812	15,431,023	14,090,267
2022 Net book value of tangible capital assets	3,826,890	310,354	519,498	3,260,083	6,173,442	14,090,267	

Yale First Nation
Schedule 2 - Segmented Information
For the year ended March 31, 2023

	Administration and Education	Health and Social Development	Housing	Capital Projects and Maintenance	Special Projects	Economic Development and Employment	Other	2023
Revenue								
Indigenous Services Canada	\$ 560,164	\$ 387,489	\$ 157,331	\$ 253,457	\$ -	\$ 15,000	\$ -	\$ 1,373,441
Other government	63,712	485,046	47,832	-	430,815	530,538	-	1,557,943
Economic activities and other	1,065,934	48,420	179,587	25,962	2,600	3,536,594	3,846	4,862,942
	1,689,809	920,955	384,750	279,419	433,415	4,082,132	3,846	7,794,326
Expenses								
Amortization	7,240	-	-	-	-	-	215,869	223,109
Operating expenses	456,111	162,266	118,668	83,755	17,669	113,940	-	952,409
Salaries, wages and benefits	359,373	296,699	28,800	18,198	-	165,808	-	868,878
Program and services delivery expenses	225,297	518,586	166,045	111,973	92,726	926,009	-	2,040,636
	1,048,021	977,551	313,513	213,926	110,395	1,205,757	215,869	4,085,032
Surplus (deficit) before transfers	641,788	(56,596)	71,237	65,493	323,020	2,876,375	(212,023)	3,709,294
Transfers between programs	(13,321)	(1,085,513)	(115,825)	(5,375)	(227,621)	(244,200)	1,691,856	-
Annual surplus (deficit)	\$ 628,468	\$ (1,142,109)	\$ (44,588)	\$ 60,118	\$ 95,399	\$ 2,632,175	\$ 1,479,833	\$ 3,709,294

	Administration and Education	Health and Social Development	Housing	Capital Projects and Maintenance	Special Projects	Economic Development and Employment	Other	2022
Revenue								
Indigenous Services Canada	\$ 342,972	\$ 486,714	\$ 291,888	\$ 197,344	\$ 192,069	\$ 235,691	\$ -	\$ 1,746,678
Other government	16,290	613,300	94,266	51,530	228,194	673,052	-	1,676,632
Economic activities and other	478,475	-	166,127	19,500	81,900	120,867	2,489	869,358
	837,737	1,100,014	552,281	268,374	502,163	1,029,610	2,489	4,292,668
Expenses								
Amortization	6,780	-	-	-	-	-	206,407	213,187
Operating expenses	289,400	124,998	157,047	62,549	23,853	71,308	-	729,155
Salaries, wages and benefits	276,730	264,304	51,210	33,488	-	278,770	-	904,502
Program and services delivery expenses	192,234	406,147	34,923	61,735	67,856	313,889	-	1,076,784
	765,144	795,449	243,180	157,772	91,709	663,967	206,407	2,923,628
Surplus (deficit) before transfers	72,593	304,565	309,101	110,602	410,454	365,643	(203,918)	1,369,040
Transfers between programs	23,071	2,554,502	(192,312)	-	(106,341)	(187,142)	(2,091,778)	-
Annual surplus (deficit)	\$ 95,664	\$ 2,859,067	\$ 116,789	\$ 110,602	\$ 304,113	\$ 178,501	\$ (2,295,696)	\$ 1,369,040