

**TSAY KEH DENE NATION**  
**CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31, 2020**

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CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2020**

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# TSAY KEH DENE

Chief Johnny Pierre

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## MANAGEMENT'S RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The accompanying consolidated financial statements of Tsay Keh Dene Nation are the responsibility of management and have been approved by the Chief and Council.

The consolidated financial statements have been prepared by management in accordance with Canadian public sector accounting standards prescribed for governments as recommended by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada and as such include amounts that are the best estimates and judgments of management.

Management is responsible for the integrity and objectivity of these statements and for implementing and maintaining a system of internal control to provide reasonable assurance that reliable financial information is produced.


The Chief and Council are responsible for ensuring that management fulfils its responsibilities for financial reporting and internal control and are ultimately responsible for reviewing and approving the consolidated financial statements.


The Chief and Council meet periodically with management, as well as the external auditors, to discuss internal controls over the financial reporting process, auditing matters and financial reporting issues, to satisfy themselves that each party is properly discharging their responsibilities, and to review the consolidated financial statements and the external auditor's report.

The external auditor, Brent Bursey & Company Inc., Chartered Professional Accountants, conduct an independent examination, in accordance with Canadian auditing standards, and express their opinion on the consolidated financial statements. The external auditors have full and free access to financial management of Tsay Keh Dene Nation and meet when required.

On behalf of Tsay Keh Dene Nation:

  
\_\_\_\_\_  
Chief

  
\_\_\_\_\_  
Councillor

  
\_\_\_\_\_  
Councillor



## **INDEPENDENT AUDITOR'S REPORT**

To the Members of Tsay Keh Dene Nation

### **Opinion**

We have audited the consolidated financial statements of Tsay Keh Dene Nation, which comprise the consolidated statement of financial position as at March 31, 2020, and the consolidated statements of operations, changes in net financial assets and 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 Tsay Keh Dene Nation as at March 31, 2020, and the consolidated results of its operations, 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 Tsay Keh Dene 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 these 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 consolidated 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 Tsay Keh Dene Nation's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to cease operations, or has no realistic alternative but to do so.



Those charged with governance are responsible for overseeing Tsay Keh Dene Nation's financial reporting process.

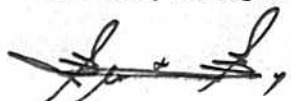
### **Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

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 judgement and maintain professional scepticism 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 Tsay Keh Dene 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 Tsay Keh Dene 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 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 Tsay Keh Dene 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Nation to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

 : Company Inc.

Chartered Professional Accountants

July 5, 2021  
Prince George, BC



**TSAY KEH DENE NATION**  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT MARCH 31, 2020**

|  | 2020                 | 2019                 |
|--|----------------------|----------------------|
| <b>FINANCIAL ASSETS</b>                              |                      |                      |
| Cash (Note 2)  | \$ 1,447,016         | \$ 2,756,611         |
| Accounts receivable (Note 3)                         | 3,604,028            | 1,088,945            |
| Inventory (Note 4)                                   | 201,809              | 198,380              |
| Restricted cash (Note 5)                             | 1,035,003            | 947,466              |
| Endowment and trust funds (Note 6)                   | 20,530,498           | 22,844,310           |
| Investments in government business entities (Note 7) | 3,286,747            | 4,889,168            |
| Investments (Note 8)                                 | 173,100              | 173,092              |
| Ottawa trust funds (Note 9)                          | 44,516               | 42,705               |
|  | <u>30,322,717</u>    | <u>32,940,677</u>    |
| <b>LIABILITIES</b>                                   |                      |                      |
| Term demand loans (Note 10)                          | 1,545,664            | 1,642,451            |
| Accounts payable and accrued liabilities (Note 11)   | 2,781,593            | 1,543,563            |
| Deferred revenue (Note 12)                           | 491,367              | 504,610              |
| Long-term debt (Note 13)                             | 159,574              | 200,042              |
| Treaty loan (Note 14)                                | -                    | 8,381,924            |
| Replacement reserve (Note 15)                        | 74,519               | 74,519               |
|  | <u>5,052,717</u>     | <u>12,347,109</u>    |
| <b>NET FINANCIAL ASSETS</b>                          | <u>25,270,000</u>    | <u>20,593,568</u>    |
| <b>NON-FINANCIAL ASSETS</b>                          |                      |                      |
| Tangible capital assets (Note 16)                    | 29,063,260           | 28,943,751           |
| Prepaid expenditure                                  | 240,745              | 11,535               |
|  | <u>29,304,005</u>    | <u>28,955,286</u>    |
| <b>ACCUMULATED SURPLUS</b>                           | <u>\$ 54,574,005</u> | <u>\$ 49,548,854</u> |

**CONTINGENT LIABILITIES (Note 17)**

**SUBSEQUENT EVENTS (Note 25)**

Approved on behalf of Tsay Keh Dene Nation:

 Chief  
 Councillor  
 Brigam Miller Councillor

The accompanying notes are an integral part of these consolidated financial statements.



**TSAY KEH DENE NATION**  
**CONSOLIDATED STATEMENT OF OPERATIONS**  
**FOR THE YEAR ENDED MARCH 31, 2020**

|   | Budget              | 2020                 | 2019                 |
|---|---------------------|----------------------|----------------------|
| <b>REVENUE</b>  |                     |                      |                      |
| Indigenous Services Canada  | \$ 5,716,098        | \$ 4,042,638         | \$ 3,925,875         |
| First Nations Health Authority  | 1,473,034           | 1,978,361            | 1,366,897            |
| Province of British Columbia  | 606,027             | 1,777,109            | 1,039,579            |
| B.C. Hydro  | 3,910,511           | 5,216,731            | 5,362,931            |
| B.C. First Nations Gaming   | -                   | 569,560              | -                    |
| Prince George Nechako Aboriginal Employment<br>And Training Association | 67,620              | 185,266              | -                    |
| Ingenika Trading Post   | -                   | 2,108,351            | 1,977,763            |
| Interest and trust  | -                   | 49,346               | 1,297,484            |
| Rent and other  | 2,357,936           | 2,674,590            | 2,208,755            |
| Forgiveness of Treaty loan  | -                   | 8,381,924            | -                    |
| Ottawa trust funds  | -                   | 1,811                | 2,061                |
| Gain on disposal of tangible capital assets                             | -                   | 4,569                | -                    |
| Income from investments in government<br>business entities              | -                   | 2,188,693            | 1,493,606            |
| Decrease (increase) in deferred revenue                                 | -                   | 185,873              | (15,007)             |
|   | <u>14,131,226</u>   | <u>29,364,822</u>    | <u>18,659,944</u>    |
| <b>EXPENDITURE</b>  |                     |                      |                      |
| Education and training  | 2,189,128           | 2,279,550            | 2,230,417            |
| Government development and administration                               | 1,148,785           | 1,470,844            | 2,089,057            |
| Health services   | 1,449,650           | 1,870,228            | 1,629,621            |
| Housing   | 420,150             | 419,769              | 227,162              |
| Ingenika Trading Post   | -                   | 2,250,455            | 1,905,663            |
| Lands and resources   | 3,715,756           | 4,635,851            | 3,892,585            |
| Public works operations and maintenance                                 | 1,383,312           | 1,691,776            | 1,697,199            |
| Social and community services   | 151,630             | 384,912              | 380,177              |
| Treaty claims and negotiations  | -                   | 546,995              | 483,515              |
| Loss on disposal of tangible capital assets                             | -                   | -                    | 6,913                |
| Loss from investments in government<br>business entities                | -                   | 2,730,940            | 877,795              |
| Unrealized loss on investment   | -                   | 1,088,994            | 9,077                |
| Trust expenditures and management fees                                  | 2,461,440           | 3,437,853            | 99,249               |
| Interest  | 23,800              | 92,247               | 70,788               |
| Amortization  | -                   | 1,389,099            | 1,378,505            |
|   | <u>12,943,651</u>   | <u>24,289,513</u>    | <u>16,977,723</u>    |
| <b>SURPLUS BEFORE RECOVERIES</b>  | <u>\$ 1,187,575</u> | <u>5,075,309</u>     | <u>1,682,221</u>     |
| <b>RECOVERIES BY:</b>   |                     |                      |                      |
| Indigenous Services Canada  |                     | (29,726)             | (3,124)              |
| Province of British Columbia  |                     | (4,421)              | -                    |
| First Nation Education Steering Committee                               |                     | (16,011)             | -                    |
|   |                     | <u></u>              | <u></u>              |
| <b>ANNUAL SURPLUS</b>   |                     | <u>5,025,151</u>     | <u>1,679,097</u>     |
| <b>ACCUMULATED SURPLUS, BEGINNING OF YEAR</b>                           |                     | <u>49,548,854</u>    | <u>47,869,757</u>    |
| <b>ACCUMULATED SURPLUS, END OF YEAR</b>                                 |                     | <u>\$ 54,574,005</u> | <u>\$ 49,548,854</u> |

The accompanying notes are an integral part of these consolidated financial statements.

**TSAY KEH DENE NATION**  
**CONSOLIDATED STATEMENT OF CHANGES IN NET FINANCIAL ASSETS**  
**FOR THE YEAR ENDED MARCH 31, 2020**

|  | Budget            | 2020                        | 2019                        |
|--|-------------------|-----------------------------|-----------------------------|
| Annual surplus                                     | \$ 1,187,575      | \$ 5,025,151                | \$ 1,679,097                |
| Acquisition of tangible capital assets             | (660,944)         | (1,519,039)                 | (2,345,590)                 |
| Amortization                                       | -                 | 1,389,099                   | 1,378,505                   |
| (Gain) loss on disposal of tangible capital assets | -                 | (4,569)                     | 6,913                       |
| Proceeds on disposal of tangible capital assets    | -                 | 15,000                      | -                           |
|  | (660,944)         | (119,509)                   | (960,172)                   |
| (Acquisition) use of prepaid expenditure           | -                 | (229,210)                   | 11,604                      |
| <b>INCREASE IN NET FINANCIAL ASSETS</b>            | <u>\$ 526,631</u> | <b>4,676,432</b>            | <b>730,529</b>              |
| <b>NET FINANCIAL ASSETS,<br/>BEGINNING OF YEAR</b> |                   | <u>20,593,568</u>           | <u>19,863,039</u>           |
| <b>NET FINANCIAL ASSETS, END OF YEAR</b>           |                   | <u><b>\$ 25,270,000</b></u> | <u><b>\$ 20,593,568</b></u> |

The accompanying notes are an integral part of these consolidated financial statements.



**TSAY KEH DENE NATION**  
**CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED MARCH 31, 2020**

|   | 2020         | 2019         |
|---|--------------|--------------|
| <b>OPERATING ACTIVITIES</b>                             |              |              |
| Annual surplus  | \$ 5,025,151 | \$ 1,679,097 |
| Items not involving cash                                |              |              |
| Amortization  | 1,389,099    | 1,378,505    |
| Forgiveness of treaty loan                              | (8,381,924)  | -            |
| (Gain) loss on disposal of tangible capital assets      | (4,569)      | 6,913        |
| Unrealized loss (gain) on investment                    | 19,617       | 9,077        |
| Income from investments in government business entities | 542,247      | (615,811)    |
|   | (1,410,379)  | 2,457,781    |
| Cash provided by (used in) operating activities         |              |              |
| Accounts receivable                                     | (2,515,083)  | 567,715      |
| Inventory   | (3,429)      | (11,838)     |
| Ottawa trust funds                                      | (1,811)      | (2,061)      |
| Prepaid expenditure                                     | (229,210)    | 11,604       |
| Accounts payable and accrued liabilities                | 1,238,030    | (10,819)     |
| Deferred revenue  | (13,243)     | 15,007       |
| Replacement reserve                                     | -            | (9,132)      |
|   | (2,935,125)  | 3,018,257    |
| <b>CAPITAL ACTIVITIES</b>                               |              |              |
| Purchase of tangible capital assets                     | (1,519,039)  | (2,345,590)  |
| Proceeds on disposal of tangible capital assets         | 15,000       | -            |
|   | (1,504,039)  | (2,345,590)  |
| <b>FINANCING ACTIVITIES</b>                             |              |              |
| Repayment of term demand loans                          | (96,787)     | (93,946)     |
| Repayment of long-term debt                             | (40,468)     | (87,259)     |
|   | (137,255)    | (181,205)    |
| <b>INVESTING ACTIVITIES</b>                             |              |              |
| Repayment of advances to government business entities   | -            | 351,603      |
| Advances to government business entities                | (29,869)     | (354,912)    |
| Repayments from government business entities            | 1,070,418    | 800,000      |
| Distributions from endowment and trust funds            | 2,313,812    | 206,262      |
|   | 3,354,361    | 1,002,953    |
| <b>(DECREASE) INCREASE DURING YEAR</b>                  | (1,222,058)  | 1,494,415    |
| <b>CASH, BEGINNING OF YEAR</b>                          | 3,704,077    | 2,209,662    |
| <b>CASH, END OF YEAR</b>                                | \$ 2,482,019 | \$ 3,704,077 |
| Cash, consists of                                       |              |              |
| Cash  | \$ 1,447,016 | \$ 2,756,611 |
| Restricted cash   | 1,035,003    | 947,466      |
|   | \$ 2,482,019 | \$ 3,704,077 |

The accompanying notes are an integral part of these consolidated financial statements.

**TSAY KEH DENE NATION**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31, 2020**

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**1. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES**

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These consolidated financial statements have been prepared in accordance with Canadian public sector accounting standards prescribed for governments as recommended by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada.

Reporting Entity and Principles of Financial Reporting

The Tsay Keh Dene Nation reporting entity includes the Tsay Keh Dene Nation government and all related entities which are either owned or controlled by the Tsay Keh Dene Nation.

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

Under the modified equity method of accounting, only Tsay Keh Dene Nation's investment in the government business enterprises or government business partnerships 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 Tsay Keh Dene Nation.

The consolidated financial statements include the following controlled entities:

- BC Hydro Trust Settlement Negotiations Agreement
- Tsay Keh Dene Treaty Society
- Ingenika Trading Post (An Enterprise), an unincorporated business entity owned and operated by the Tsay Keh Dene Nation in the Tsay Keh Dene community
- 0882074 B.C. Ltd., wholly-owned by Tsay Keh Dene Nation and a holding company of the administrative buildings in Prince George, BC, dependent on the Nation for its continuing operations.

Government business enterprises, which are wholly-owned or significantly influenced by Tsay Keh Dene 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:

- Chu-Cho Enterprises Ltd.
- Ingenika Logging Ltd.
- Tsay Keh Economic Development Corporation
- Tsay Keh Enterprises Ltd.
- Tsay Keh Holdings Ltd. (dba Tsay Keh Dene Outfitters)
- 1035969 B.C. Ltd.
- Three Feathers GP Ltd. (33.3%)



**TSAY KEH DENE NATION**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31, 2020**

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**1. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES, continued**

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Reporting Entity and Principles of Financial Reporting, continued

Government business partnerships, in which Tsay Keh Dene Nation holds a limited partnership interest or significant influence 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:

- Chu Cho Industries Limited Partnership (99.99% interest)
- Chu Cho Environmental LLP (99.5% interest)
- Chu Cho Forestry LLP (99.5% interest)
- Tsay Keh Developments Limited Partnership (99.99% interest)
- Claw Mountain Outfitters LLP (50% interest)
- Three Feathers Limited Partnership (33.33% interest)
- Tse Keh Nay LLP (33.33% interest)

Cash

Cash includes cash on hand, cash on deposit net of cheques issued and outstanding at the reporting date, and short-term deposits with maturity dates of less than 90 days.

Inventory

Inventory consists of goods available for sale and is valued at the lower of cost and net realizable value using the average cost method.

Tangible Capital Assets

Tangible capital assets are recorded at cost, which includes amounts that are directly related to the acquisition, design, construction, development, improvement or betterment of the assets. Cost includes overhead directly attributable to construction and development, as well as interest costs that are directly attributable to the acquisition or construction of the asset. Transfers of tangible capital assets from related parties are recorded at carrying value.

Tangible capital assets are amortized using the declining balance method at rates calculated to amortize the cost less salvage value as follows:

|                                |       |
|--------------------------------|-------|
| Automotive equipment           | 30%   |
| Buildings                      | 4%    |
| Computer equipment             | 30%   |
| Equipment                      | 20%   |
| Furniture and office equipment | 20%   |
| Heavy duty equipment           | 30%   |
| Housing                        | 5%    |
| Infrastructure                 | 4%    |
| Ingenika Trading Post          | 4-30% |

In the year of acquisition, 50% of the annual amortization is expensed. Assets under construction are not amortized until the asset is available to be put into service.



**TSAY KEH DENE NATION**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31, 2020**

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**1. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES, continued**

Tangible Capital Assets, continued

Tangible capital assets are written down when conditions indicate that they no longer contribute to the Nation's ability to provide goods and services, or when the value of future economic benefits associated with the tangible capital assets are less than their net book value. Net write-downs are accounted for in the consolidated statement of operations and consolidated statement of changes in net financial assets when they occur.

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.

Revenue and Expenditure

Revenue and expenditure are recorded using the accrual basis of accounting. Revenue is recognized in the period in which the transactions or events occurred that gave rise to the revenue. Gains are recognized when realized. Items not practically measurable until cash is received are accounted for at that time.

Government transfers are recognized as revenue when the transfer is authorized and any eligibility criteria are met, except to the extent that transfer stipulations give rise to an obligation that meets the definition of a liability. Transfers are recognized as deferred revenue when transfer stipulations give rise to a liability and recognized in the statement of operations as the stipulation liabilities are settled.

Contributions from other sources are deferred when restrictions are placed on their use by the contributor and are recognized as revenue when used for the specific purpose.

Funding Recoveries and Reimbursements

Funding received from federal 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 specified purpose. Recoveries and reimbursements are accounted for when they are paid or payable or received or receivable.

Measurement Uncertainty

The preparation of financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amount 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 expenditure during the reporting period. Significant areas requiring the use of management estimates relate to the impairment of assets, rates for amortization, collectability of accounts receivable, and valuation of inventory. Actual results could differ from these estimates.

**TSAY KEH DENE NATION**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31, 2020**

**2. CASH**

Tsay Keh Dene Nation has a demand revolving credit facility agreement with the Royal Bank of Canada for \$200,000 bearing interest at prime plus 0.75% per annum. This facility revolves in increments of \$10,000 and is secured by a general security agreement and a first ranking security interest in all accounts receivable. At March 31, 2020 the full \$200,000 was available.

**3. ACCOUNTS RECEIVABLE**

|  | 2020                | 2019                |
|--|---------------------|---------------------|
| Government                                     |                     |                     |
| Canada Revenue Agency - Goods and services tax | \$ 279,843          | \$ 179,534          |
| Other federal government                       | 75,695              | 1,188               |
| Indigenous Services Canada                     | 80,385              | -                   |
| First Nations Health Authority                 | 217,738             | 8,162               |
| Province of British Columbia                   | 93,116              | 21,562              |
|  | 746,777             | 210,446             |
| Trade  | 2,545,193           | 347,188             |
| Trade - related parties                        | 326,422             | 418,290             |
| Tsay Keh Dene Nation members                   | 13,526              | 141,989             |
| Other  | 13,761              | 12,683              |
|  | 3,645,679           | 1,130,596           |
| Less allowance for doubtful accounts           | (41,651)            | (41,651)            |
|  | <u>\$ 3,604,028</u> | <u>\$ 1,088,945</u> |

**4. INVENTORY**

|   | 2020              | 2019              |
|---|-------------------|-------------------|
| Ingenika Trading Post                   |                   |                   |
| Groceries, hardware and household items | \$ 130,324        | \$ 114,953        |
| Gasoline, diesel and propane            | 53,346            | 60,827            |
| Tobacco products                        | 18,139            | 22,600            |
|   | <u>\$ 201,809</u> | <u>\$ 198,380</u> |



**TSAY KEH DENE NATION**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31, 2020**

**5. RESTRICTED CASH**

|   | 2020                | 2019              |
|---|---------------------|-------------------|
| Restricted cash consists of the following |                     |                   |
| Guaranteed Investment Certificates        |                     |                   |
| Held as security for financing            | \$ 75,000           | \$ 75,000         |
| Held in trust for minors                  | 560,627             | 553,585           |
| Dispute Resolution                        | 265,736             | 236,964           |
| Replacement Reserve                       | 63,672              | 63,712            |
| Treaty Negotiations                       | 69,968              | 18,205            |
|   | <u>\$ 1,035,003</u> | <u>\$ 947,466</u> |

**6. ENDOWMENT AND TRUST FUNDS**

|  | 2020                | 2019                |
|--|---------------------|---------------------|
| <u>BC Hydro Trust Funds</u>  |                     |                     |
| Consists of funds held on behalf of Tsay Keh Dene Nation in an Endowment Fund created under the Trustee Fund Public Deed of Trust between the Victoria Foundation and the Tsay Keh Dene Nation dated August 31, 2009 and the Payment Trustee Agreement between the Victoria Foundation, the Tsay Keh Dene Nation, and the British Columbia Hydro and Power Authority dated August 31, 2009   | \$ 2,192,308        | \$ 2,330,721        |
| <u>BC Hydro Final Settlement Funds</u>   |                     |                     |
| Consists of funds held on behalf of Tsay Keh Dene Nation in an Endowment Fund created under the Endowment Fund Public Deed of Trust between the Victoria Foundation and the Tsay Keh Dene Nation dated August 31, 2009 and the Payment Trustee Agreement between the Victoria Foundation, the Tsay Keh Dene Nation, and the British Columbia Hydro and Power Authority dated August 31, 2009 | <u>499,683</u>      | <u>2,675,082</u>    |
| Balance forward  | <u>\$ 2,691,991</u> | <u>\$ 5,005,803</u> |



**TSAY KEH DENE NATION**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31, 2020**

**6. ENDOWMENT AND TRUST FUNDS, continued**

|  | 2020                 | 2019                 |
|--|----------------------|----------------------|
| Balance forward  | \$ 2,691,991         | \$ 5,005,803         |
| <u>Endowment Fund Protected Amount</u>   |                      |                      |
| The Endowment Fund Protected amount is equal to the initial capital of \$16,065,947 plus all income, capital gains, returns of capital, and other returns on the initial capital of \$1,772,560 during the initial five year investment period. These funds are not accessible until such time as the Bennett Dam is deactivated |                      |                      |
|  | <u>17,838,507</u>    | <u>17,838,507</u>    |
|  | <u>\$ 20,530,498</u> | <u>\$ 22,844,310</u> |

Endowment Fund Protected Amount

The endowment fund protected amount is \$17,838,507. The protected amount of the endowment fund is equal to the initial capital of \$16,065,947 plus all income, capital gains, returns of capital, and other returns on the initial capital during the initial 5 year investment period. These funds are not accessible until such time as the Bennett Dam is deactivated.

**7. INVESTMENTS IN GOVERNMENT BUSINESS ENTITIES (Appendix A)**

|                          | 2020             | 2019             |
|--------------------------|------------------|------------------|
| 1035969 B.C. Ltd.        |                  |                  |
| - share                  | \$ 1             | \$ 1             |
| - advances to            | 156,699          | 156,699          |
| - equity                 | <u>56,752</u>    | <u>32,165</u>    |
|                          | <u>213,452</u>   | <u>188,865</u>   |
| Chu-Cho Enterprises Ltd. |                  |                  |
| - shares                 | 1                | 1                |
| - advances to            | 441,063          | 441,063          |
| - deficit                | <u>(441,064)</u> | <u>(441,064)</u> |
|                          | <u>-</u>         | <u>-</u>         |
| Ingenika Logging Ltd.    |                  |                  |
| - shares                 | 100              | 100              |
| - advances to            | 558,310          | 558,310          |
| - deficit                | <u>(558,410)</u> | <u>(558,410)</u> |
|                          | <u>-</u>         | <u>-</u>         |
| Balance forward          | \$ 213,452       | \$ 188,865       |

**TSAY KEH DENE NATION**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31, 2020**

**7. INVESTMENTS IN GOVERNMENT BUSINESS ENTITIES (Appendix A), continued**

|  | 2020               | 2019             |
|--|--------------------|------------------|
| Balance forward  | \$ 213,452         | \$ 188,865       |
| Tsay Keh Enterprises Ltd.                                |                    |                  |
| - share  | 1                  | 1                |
| - advances to  | 638,168            | 627,921          |
| - equity (deficit)                                       | 15,970             | (30,935)         |
|  | <u>654,139</u>     | <u>596,987</u>   |
| Tsay Keh Holdings Ltd.<br>(dba Tsay Keh Dene Outfitters) |                    |                  |
| - shares   | 100                | 100              |
| - advances to  | 974,113            | 974,113          |
| - deficit  | (281,910)          | (281,910)        |
|  | <u>692,303</u>     | <u>692,303</u>   |
| Tsay Keh Economic Development Corporation                |                    |                  |
| - shares   | 100                | 100              |
| - advances to  | 6,774              | 6,774            |
| - equity   | 7,782              | 7,782            |
|  | <u>14,656</u>      | <u>14,656</u>    |
| Chu Cho Forestry LLP                                     |                    |                  |
| - partnership units, at cost                             | 100                | 100              |
| - partnership equity                                     | 2,115,169          | 1,625,220        |
|  | <u>2,115,269</u>   | <u>1,625,320</u> |
| Chu Cho Industries Limited Partnership                   |                    |                  |
| - partnership units, at cost                             | 9,999              | 9,999            |
| - partner's (deficiency) equity                          | (2,091,177)        | 638,698          |
|  | <u>(2,081,178)</u> | <u>648,697</u>   |
| Chu Cho Environmental LLP                                |                    |                  |
| - partnership units, at cost                             | 100                | 100              |
| - partnership equity                                     | 934,937            | 233,354          |
|  | <u>935,037</u>     | <u>233,454</u>   |
| Tsay Keh Developments Limited Partnership                |                    |                  |
| - partnership units, at cost                             | 9,999              | 9,999            |
| - advances from  | (9,999)            | (9,999)          |
|  | <u>-</u>           | <u>-</u>         |
| Balance forward  | \$ 2,543,678       | \$ 4,000,282     |

**TSAY KEH DENE NATION**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31, 2020**

**7. INVESTMENTS IN GOVERNMENT BUSINESS ENTITIES (Appendix A), continued**

|                                    | 2020         | 2019         |
|------------------------------------|--------------|--------------|
| Balance forward                    | \$ 2,543,678 | \$ 4,000,282 |
| Three Feathers GP Ltd.             |              |              |
| - shares                           | 100          | 100          |
| - advances from                    | (100)        | (100)        |
| - (deficit) equity                 | (1,023)      | 42           |
|                                    | (1,023)      | 42           |
| Three Feathers Limited Partnership |              |              |
| - partnership units, at cost       | 33           | 33           |
| - partnership equity               | 295,228      | 263,699      |
|                                    | 295,261      | 263,732      |
| Tse Keh Nay LLP                    |              |              |
| - partnership equity               | 87,708       | 263,989      |
| Claw Mountain Outfitters LLP       |              |              |
| - partnership equity               | 361,123      | 361,123      |
|                                    | \$ 3,286,747 | \$ 4,889,168 |

Shares and partnership units are held on behalf of the Nation's membership by specified nation members under a trust agreement.

Condensed financial information for the government business entities is presented in Appendix A to the financial statements.

**8. INVESTMENTS**

|                               | 2020       | 2019       |
|-------------------------------|------------|------------|
| Resolute Forest Products Inc. |            |            |
| Shares, at realizable value   | \$ 6,650   | \$ 26,267  |
| Traplines, at cost            | 146,825    | 146,825    |
| BCFN Gaming GP                | 19,625     | -          |
|                               | \$ 173,100 | \$ 173,092 |



**TSAY KEH DENE NATION**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31, 2020**

**9. OTTAWA TRUST FUNDS**

|                            | Revenue          | Capital     | Total<br>2020    | Total<br>2019    |
|----------------------------|------------------|-------------|------------------|------------------|
| Balance, beginning of year | \$ 42,705        | \$ -        | \$ 42,705        | \$ 40,644        |
| Interest                   | 695              | -           | 695              | 944              |
| BC Special                 | 1,116            | -           | 1,116            | 1,117            |
| Balance, end of year       | <u>\$ 44,516</u> | <u>\$ -</u> | <u>\$ 44,516</u> | <u>\$ 42,705</u> |

The Ottawa Trust Accounts arise from monies from capital or revenue sources outlined in Section 62 of the "Indian Act". These funds are held in trust in the consolidated revenue fund of the Government of Canada and are subject to audit by the office of the Auditor General of Canada. The management of these funds is primarily governed by Sections 63 to 69 of the "Indian Act".

**10. TERM DEMAND LOANS**

|  | 2020                | 2019                |
|--|---------------------|---------------------|
| Loan repayable in monthly instalments of \$1,411 including interest at 2.83% per annum, secured by a Government of Canada ministerial guarantee, due to renew February 2020  | \$ 145,777          | \$ 158,367          |
| Loan repayable in monthly instalments of \$3,742 including interest at 2.64% per annum, secured by a Government of Canada ministerial guarantee, due to renew April 2021   | 251,675             | 289,355             |
| Demand loan repayable in monthly instalments of \$7,800 including interest at 4%, secured by a general security agreement, collateral mortgage over assets with a net book value of \$1,619,958, guarantee from Tsay Keh Dene Nation to \$1,265,000, due to mature August 2022 | <u>1,148,212</u>    | <u>1,194,729</u>    |
|  | <u>\$ 1,545,664</u> | <u>\$ 1,642,451</u> |

**TSAY KEH DENE NATION**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31, 2020**

**10. TERM DEMAND LOANS, continued**

Provided the lender does not demand repayment of the term demand loans in full, principal repayments due in each of the next years are scheduled as follows:

|            |                     |
|------------|---------------------|
| 2021       | \$ 102,684          |
| 2022       | 105,546             |
| 2023       | 109,060             |
| 2024       | 1,054,495           |
| 2025       | 103,762             |
| Subsequent | <u>70,117</u>       |
|            | <u>\$ 1,545,664</u> |

**11. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES**

|   | 2020                | 2019                |
|---|---------------------|---------------------|
| Trade payables and accrued liabilities    | \$ 2,008,137        | \$ 992,747          |
| Trade payables - related parties          | 410,513             | 333,777             |
| Government remittances payable            | 25,703              | 49,809              |
| Wages, pension and group benefits payable | <u>337,240</u>      | <u>167,230</u>      |
|   | <u>\$ 2,781,593</u> | <u>\$ 1,543,563</u> |

The Nation has a defined contribution pension plan for eligible members of its staff. Members are required to contribute a minimum of 5% of their salary, the Nation contributes 5% of their basic salary, and contributions are directed to the member's contribution account. The amount of retirement benefit to be received by the employees will be the amount of retirement annuity that could be purchased based on the member's share of the pension plan at the time of the member's withdrawal from the plan. During the year the Nation contributed \$123,050 (2019 - \$81,558) for retirement benefits.

**12. DEFERRED REVENUE**

|                                      | 2020             | 2019              |
|--------------------------------------|------------------|-------------------|
| Indigenous Services Canada           |                  |                   |
| Capital Surplus                      | \$ 1,322         | \$ 1,322          |
| ACRES - ICMS #9-00128287             | 24,034           | -                 |
| CPMS #11533 Transfer station         | 39,871           | 191,144           |
| ICMS 9-00126407 Water System Upgrade | <u>-</u>         | <u>29,726</u>     |
| Balance forward                      | <u>\$ 65,227</u> | <u>\$ 222,192</u> |

**TSAY KEH DENE NATION**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31, 2020**

**12. DEFERRED REVENUE, continued**

|  | 2020              | 2019              |
|--|-------------------|-------------------|
| Balance forward                            | \$ 65,227         | \$ 222,192        |
| Other                                      |                   |                   |
| BC Hydro                                   | 153,282           | 149,835           |
| First Nations Health Authority             | 103,673           | 29,305            |
| First Nations Education Steering Committee | -                 | 103,278           |
| Other                                      | 169,185           | -                 |
|  | <u>426,140</u>    | <u>282,418</u>    |
|  | <u>\$ 491,367</u> | <u>\$ 504,610</u> |

The Nation has recorded the above as deferred revenue to be used for delivery and completion of future programs and projects.

**13. LONG-TERM DEBT**

|   | 2020              | 2019              |
|---|-------------------|-------------------|
| Mortgage repayable in monthly instalments of \$1,107 including interest at prime plus 1.05% (March 31, 2020 - 4.5%) per annum, secured by specific properties. The mortgage is registered in the name of Tsay Keh Enterprises Ltd. and is guaranteed by the Nation, due to renew May 2021 | \$ 64,172         | \$ 73,959         |
| Mortgage repayable in monthly instalments of \$970 including interest at 3.03% per annum, secured by specific properties. The mortgage is registered in the name of Tsay Keh Enterprises Ltd. and is guaranteed by the Nation, due to renew May 2021                                      | 70,611            | 80,719            |
| Conditional sales contract payable in monthly instalments of \$911 including interest at 6.69%, secured by equipment with a net book value of \$13,317, due to mature May 2021  | <u>12,519</u>     | <u>22,908</u>     |
| Balance forward   | <u>\$ 147,302</u> | <u>\$ 177,586</u> |



**TSAY KEH DENE NATION**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31, 2020**

**13. LONG-TERM DEBT, continued**

|  | 2020              | 2019              |
|--|-------------------|-------------------|
| Balance forward  | \$ 147,302        | \$ 177,586        |
| Conditional sales contract payable in monthly instalments of \$893 including interest at 6.69%, secured by equipment with a net book value of \$13,026, due to mature May 2021 | <u>12,272</u>     | <u>22,456</u>     |
|  | <u>\$ 159,574</u> | <u>\$ 200,042</u> |

Principal repayments due in each of the next two years are scheduled as follows:

|      |                   |
|------|-------------------|
| 2021 | \$ 42,214         |
| 2022 | <u>117,360</u>    |
|      | <u>\$ 159,574</u> |

**14. TREATY LOAN**

Tsay Keh Dene Nation had signed promissory notes and First Nation Negotiation Support Agreements totalling \$8,381,924. The Government of Canada forgave an amount of \$8,381,924. The debt was forgiven by supply bill/appropriation Act (Bill C10/Appropriation Act No.4, 2019-20) for Supplementary Estimates B which received royal assent on March 13, 2020. This amount was recognized in the financial statements as forgiveness of treaty loan for the year ending March 31, 2020.

**15. REPLACEMENT RESERVE**

Under the terms of an agreement with Indigenous Services Canada, the replacement reserve account is to be credited in the amount of \$10,868 annually. These funds, along with the accumulating interest, are to be held in a separate bank account and may only be used for repairs and maintenance for houses built in 2001 and 2004. The replacement reserve was under-funded at year end in the amount of \$NIL (2019 - 10,806).

**TSAY KEH DENE NATION**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31, 2020**

**16. TANGIBLE CAPITAL ASSETS (Appendix B)**

|                                |                      |                             | 2020                 | 2019                 |
|--------------------------------|----------------------|-----------------------------|----------------------|----------------------|
|                                | Cost                 | Accumulated<br>Amortization | Net Book<br>Value    | Net Book<br>Value    |
| Automotive equipment           | \$ 940,973           | \$ 634,639                  | \$ 306,334           | \$ 198,907           |
| Buildings                      | 9,035,323            | 3,080,380                   | 5,954,943            | 5,442,650            |
| Computer equipment             | 271,524              | 221,181                     | 50,343               | 71,919               |
| Equipment                      | 794,539              | 681,717                     | 112,822              | 132,223              |
| Furniture and office equipment | 98,500               | 75,397                      | 23,103               | 28,878               |
| Heavy duty equipment           | 950,096              | 655,955                     | 294,141              | 381,952              |
| Housing                        | 19,577,093           | 8,527,993                   | 11,049,100           | 11,620,544           |
| Infrastructure                 | 15,717,032           | 5,843,950                   | 9,873,082            | 9,619,769            |
| Ingenika Trading Post          | 992,853              | 531,660                     | 461,193              | 508,710              |
|                                | 48,377,933           | 20,252,872                  | 28,125,061           | 28,005,552           |
| Land                           | 938,199              | -                           | 938,199              | 938,199              |
|                                | <u>\$ 49,316,132</u> | <u>\$ 20,252,872</u>        | <u>\$ 29,063,260</u> | <u>\$ 28,943,751</u> |

**17. CONTINGENT LIABILITIES**

Tsay Keh Dene 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 may have future silviculture commitments on government business entities owned forest licences if future costs exceed current estimates. The amount of the liability, if any, is not determinable at this time.

The Nation has guaranteed loans of \$8,504,281 (2019 - \$8,548,954) issued by financial institutions to the government business entities held as investments by the Nation. At March 31, 2020 none of these loans were in default and thus, the amount of the liability, if any, is not determinable at this time.

In addition, in the normal course of its operations, Tsay Keh Dene Nation may become involved in legal actions. Some of these potential liabilities may become actual liabilities when one or more future events occur or fail to occur. To the extent that the future event is likely to occur, and a reasonable estimate of the loss can be made, an estimated liability is accrued and an expense recorded in the financial statements.



**TSAY KEH DENE NATION**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31, 2020**

**18. RECONCILIATION OF INAC FUNDING AGREEMENT REVENUE**

Pursuant to the Indigenous Services Canada Financial Reporting Requirements for the fiscal period 2019 - 2020 the following reconciliation has been prepared:

|   |                     |
|---|---------------------|
| Recipient total as per 2019/2020 ISC funding confirmation | \$ 4,042,638        |
| Variance  | <u>-</u>            |
| ISC revenue as per consolidated statement of operations   | <u>\$ 4,042,638</u> |

**19. GOVERNMENT TRANSFERS**

|                                 | 2020                |                     |                     | 2019                |                   |                     |
|---------------------------------|---------------------|---------------------|---------------------|---------------------|-------------------|---------------------|
|                                 | <u>Operating</u>    | <u>Capital</u>      | <u>Total</u>        | <u>Operating</u>    | <u>Capital</u>    | <u>Total</u>        |
| Federal government transfers:   |                     |                     |                     |                     |                   |                     |
| Indigenous Services Canada      | \$ 3,802,763        | \$ 239,875          | \$ 4,042,638        | \$ 3,042,823        | \$ 883,052        | \$ 3,925,875        |
| Other                           | <u>103,655</u>      | <u>-</u>            | <u>103,655</u>      | <u>71,057</u>       | <u>-</u>          | <u>71,057</u>       |
|                                 | 3,906,418           | 239,875             | 4,146,293           | 3,113,880           | 883,052           | 3,996,932           |
| Provincial government transfers | 1,777,109           | --                  | 1,777,109           | 1,039,579           | -                 | 1,039,579           |
| First Nations Health Authority  | <u>1,202,735</u>    | <u>775,626</u>      | <u>1,978,361</u>    | <u>1,336,897</u>    | <u>30,000</u>     | <u>1,366,897</u>    |
|                                 | <u>\$ 6,886,262</u> | <u>\$ 1,015,501</u> | <u>\$ 7,901,763</u> | <u>\$ 5,490,356</u> | <u>\$ 913,052</u> | <u>\$ 6,403,408</u> |

**20. RELATED PARTY TRANSACTIONS**

In the normal course of operations, the Nation participated in transactions with related parties measured at the exchange amount as determined and agreed to by the related parties.

The Nation sold goods and services in the amount of \$95,995 (2019 - \$52,538) to Chu Cho Industries Limited Partnership, Chu-Cho Environmental LLP and Chu Cho Forestry LLP, and paid for services rendered in the amount of \$3,721,394 (2019 - \$3,322,754) of which \$329,111 (2019 - \$239,595) is outstanding in accounts payable at year end.

**TSAY KEH DENE NATION**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31, 2020**

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**21. ECONOMIC DEPENDENCE**

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The Nation receives a major portion of its revenue pursuant to funding arrangements with Indigenous Services Canada. Any disruption in this funding would have a negative effect on the Nation's operations.

**22. RISK MANAGEMENT**

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The Nation has a comprehensive risk management framework to monitor, evaluate and manage the principal risks assumed with financial instruments. The risks that arise from transacting financial instruments include the following:

Credit Risk

Credit risk refers to the risk that a counterparty may default on its contractual obligations resulting in a financial loss. The Nation has a history of dealing with its funding agencies and customer base and does not believe it is exposed to an unusual level of credit risk with respect to its accounts receivable.

The Nation maintains its cash and deposits with a federally regulated Canadian financial institution and a Credit Union, and thus has not experienced any change in risk exposure.

Interest Rate Risk

Interest rate risk refers to the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The majority of the Nation's term demand loans and long-term debt is at fixed rates of interest, therefore, a change in market interest rates has no impact to cash flows required to service this debt. The Nation has one mortgage and maintains an operating line of credit subject to floating rates of interest, a change in the variable rate can impact cash flow to service these debts when such debts are outstanding. There has been no change to the risk exposure from 2019 and there is expected to be no substantive change in the next fiscal period.

**23. SEGMENT DISCLOSURE**

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Tsay Keh Dene 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:



**TSAY KEH DENE NATION**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31, 2020**

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**23. SEGMENT DISCLOSURE, continued**

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Education and Training - provides elementary and secondary education instructional services, financial support to post-secondary students and training and work opportunities for Nation members to improve their job skills and participate effectively in the labour market;

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

Health Services - provides a variety of health care programs, services and support to Nation members;

Housing - provides housing and services to Nation members;

Lands and Resources - manages the development of economic opportunities from the land and natural resources for the Nation and its entities;

Public Works Operations and Maintenance - manages community and facilities operations and maintenance including capital projects, municipal services, water and waste water operations, roads, fire protection, and maintenance of community buildings;

Social and Community Services - provides programs and services for the social benefit and welfare of Nation members;

Treaty Claims and Negotiations - manages the land claim and negotiation process with Canada and the Province of British Columbia;

Trust Funds - provides programs and services for the social, economic and capital needs of Nation members;

Other - Ingenika Trading Post and the government business entities provide economic development opportunities for the benefit of Nation members;

Tangible Capital Assets - provides for capital infrastructure development for Nation members.

**24. BUDGETED FIGURES**

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Budgets were not prepared for all segments and all departments in 2020. As such, the budget figures in the Consolidated Statement of Operations are not presented for the same scope of activities as the actual results. The disclosed budget information has been approved by Chief and Council of Tsay Keh Dene Nation.

**TSAY KEH DENE NATION**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31, 2020**

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**25. SUBSEQUENT EVENTS**

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Subsequent to the March 31, 2020 year end Tsay Keh Dene Nation entered into a loan agreement for a \$15,000,000. The proceeds of the loan were advanced to Chu Cho Industries Limited Partnership.

Beginning in December 2019 a global pandemic, Severe Acute Respiratory Syndrome Coronavirus 2 (SARS-CoV-2), the virus causing COVID-19, was identified in China and reached Canada in January 2020. COVID-19 has had a significant impact on the economy through the restrictions put in place by the Canadian, provincial, and municipal governments regarding travel, business operations and isolation/quarantine orders. At this time, it is uncertain as to the impact this outbreak will have on the Band as this will depend on future developments that are highly uncertain and that cannot be predicted with confidence. These uncertainties arise from the inability to predict the ultimate geographic spread of the disease, the duration of the outbreak, including duration of travel restrictions, business closures or disruptions and isolation/quarantine measures that are currently, or may be put, in place by Canada and other countries to fight the virus.



**TSAY KEH DENE NATION**  
**SEGMENT DISCLOSURE**  
**FOR THE YEAR ENDED MARCH 31, 2020**

|  | GOVERNMENT DEVELOPMENT |                    |                    |                     |                   |                   |                    |                     |                   |                     |                     |                   |                     |                   |                    |
|--|------------------------|--------------------|--------------------|---------------------|-------------------|-------------------|--------------------|---------------------|-------------------|---------------------|---------------------|-------------------|---------------------|-------------------|--------------------|
|  | EDUCATION AND TRAINING |                    |                    | AND ADMINISTRATION  |                   |                   | HEALTH SERVICES    |                     |                   | HOUSING             |                     |                   | LANDS AND RESOURCES |                   |                    |
|  | Budget                 | 2020               | 2019               | Budget              | 2020              | 2019              | Budget             | 2020                | 2019              | Budget              | 2020                | 2019              | Budget              | 2020              | 2019               |
| <b>REVENUE</b>   |                        |                    |                    |                     |                   |                   |                    |                     |                   |                     |                     |                   |                     |                   |                    |
| Indigenous and Northern Affairs Canada                               | \$ 1,371,408           | \$ 1,363,131       | \$ 1,211,515       | \$ 399,516          | \$ 470,577        | \$ 422,905        | \$ 213,922         | \$ 211,010          | \$ 139,757        | \$ -                | \$ -                | \$ -              | \$ 35,590           | \$ 317,860        | \$ 279,478         |
| First Nations Health Authority                                       | -                      | -                  | 5,000              | -                   | 14,760            | 13,284            | 898,034            | 1,187,975           | 1,308,700         | -                   | -                   | -                 | -                   | -                 | -                  |
| Province of British Columbia   | 228,734                | 262,563            | 295,796            | -                   | -                 | 15,327            | 177,293            | 202,193             | 227,937           | -                   | -                   | -                 | 200,000             | 770,000           | 18,166             |
| B.C. Hydro   | -                      | -                  | -                  | -                   | 160,481           | 1,778,190         | -                  | -                   | 110,000           | -                   | -                   | 300,000           | 2,730,000           | 2,730,000         | 3,096,900          |
| B.C. First Nations Gaming  | -                      | -                  | -                  | -                   | 569,560           | -                 | -                  | -                   | -                 | -                   | -                   | -                 | -                   | -                 | -                  |
| Prince George Nechako Aboriginal Employment and Training Association | 67,620                 | 185,266            | -                  | -                   | -                 | -                 | -                  | -                   | -                 | -                   | -                   | -                 | -                   | -                 | -                  |
| Ingenika Trading Post  | -                      | -                  | -                  | -                   | -                 | -                 | -                  | -                   | -                 | -                   | -                   | -                 | -                   | -                 | -                  |
| Interest and trust   | -                      | -                  | -                  | -                   | -                 | 27,110            | -                  | -                   | -                 | -                   | -                   | -                 | -                   | -                 | -                  |
| Rent and other   | 317,027                | 373,164            | 672,922            | 667,300             | 574,982           | 607,227           | 108,000            | 55,035              | 44,387            | 311,250             | 122,433             | 238,670           | 263,000             | 1,414,581         | 482,759            |
| Ottawa trust funds   | -                      | -                  | -                  | -                   | -                 | -                 | -                  | -                   | -                 | -                   | -                   | -                 | -                   | -                 | -                  |
| Income from investments in government business entities              | -                      | -                  | -                  | -                   | -                 | -                 | -                  | -                   | -                 | -                   | -                   | -                 | -                   | -                 | -                  |
| (Increase) decrease in deferred revenue                              | -                      | -                  | -                  | -                   | -                 | -                 | -                  | 29,305              | (13,873)          | -                   | -                   | -                 | -                   | -                 | -                  |
| <b>TOTAL REVENUE</b>   | <b>1,984,789</b>       | <b>2,184,124</b>   | <b>2,185,233</b>   | <b>1,066,816</b>    | <b>1,790,360</b>  | <b>2,864,043</b>  | <b>1,397,249</b>   | <b>1,685,518</b>    | <b>1,816,908</b>  | <b>311,250</b>      | <b>122,433</b>      | <b>538,670</b>    | <b>3,228,590</b>    | <b>5,232,441</b>  | <b>3,877,303</b>   |
| <b>EXPENDITURE</b>   |                        |                    |                    |                     |                   |                   |                    |                     |                   |                     |                     |                   |                     |                   |                    |
| Administration   | 129,786                | 93,562             | 67,833             | -                   | -                 | -                 | 73,613             | 80,456              | 42,250            | -                   | -                   | -                 | 159,780             | 152,027           | 145,085            |
| Amortization and interest  | -                      | -                  | -                  | 10,000              | 106,918           | 95,915            | 3,600              | 3,501               | 3,758             | 10,000              | 11,571              | 15,441            | 200                 | 1,077             | 1,682              |
| Contract   | 160,000                | 204,023            | 450,525            | 55,000              | 167,726           | 50,913            | 135,963            | 244,035             | 153,821           | 41,524              | 55,486              | 61,730            | 3,235,456           | 4,015,076         | 3,379,442          |
| Capital purchases and debt repayment                                 | -                      | -                  | -                  | 8,500               | 6,000             | 30,691            | 19,500             | 9,787               | 54,320            | -                   | 37,681              | 58,036            | 24,000              | 20,573            | 19,967             |
| Honoraria  | 20,000                 | 9,159              | 16,340             | 1,500               | -                 | 5,750             | 1,500              | 845                 | 4,370             | -                   | -                   | 250               | 4,000               | 6,400             | 4,380              |
| Professional fees  | -                      | -                  | -                  | 70,000              | 83,631            | 99,065            | -                  | -                   | -                 | -                   | -                   | -                 | 7,000               | 10,451            | 60,871             |
| Rent   | -                      | 361                | -                  | 46,300              | 33,000            | 27,600            | 8,500              | 12,567              | 27,500            | -                   | 1,000               | -                 | -                   | 10,580            | 23,715             |
| Repairs and maintenance  | 17,500                 | 21,912             | 100,654            | 2,000               | 8,814             | -                 | 15,000             | 8,582               | 13,030            | -                   | -                   | 13,468            | 7,000               | 6,550             | 5,493              |
| Supplies   | 131,242                | 200,252            | 119,937            | 32,500              | 105,125           | 46,934            | 72,998             | 208,156             | 164,997           | 54,000              | 72,367              | 59,650            | 22,318              | 85,092            | 25,361             |
| Telephone and utilities  | 133,800                | 144,383            | 162,872            | 100,768             | 91,999            | 181,144           | 19,891             | 29,518              | 33,120            | 35,000              | 40,607              | 48,019            | 4,500               | 8,247             | 3,785              |
| Travel and accommodations  | 90,700                 | 192,476            | 104,217            | 298,000             | 318,737           | 475,779           | 227,114            | 476,073             | 469,168           | 21,000              | 20,133              | 6,065             | 37,500              | 43,665            | 43,644             |
| Wages and benefits   | 1,417,100              | 1,286,436          | 920,254            | 486,317             | 506,519           | 798,292           | 843,523            | 776,992             | 663,521           | 228,826             | 175,110             | 30,280            | 222,702             | 291,331           | 193,905            |
| Workshops and training   | 30,000                 | 33,854             | 104,305            | 15,000              | 85                | 383               | 18,624             | 3,716               | 13,981            | -                   | -                   | -                 | 5,000               | 110               | -                  |
| Other  | 59,000                 | 93,132             | 183,480            | 41,400              | 155,208           | 506,048           | 32,924             | 29,288              | 43,863            | 39,800              | 55,066              | 7,700             | 10,500              | 6,322             | 6,904              |
| Loss from investment in government business entities                 | -                      | -                  | -                  | -                   | -                 | -                 | -                  | -                   | -                 | -                   | -                   | -                 | -                   | -                 | -                  |
| Unrealized loss on investment  | -                      | -                  | -                  | -                   | -                 | -                 | -                  | -                   | -                 | -                   | -                   | -                 | -                   | -                 | -                  |
| <b>TOTAL EXPENDITURE</b>   | <b>2,189,128</b>       | <b>2,279,550</b>   | <b>2,230,417</b>   | <b>1,167,285</b>    | <b>1,583,762</b>  | <b>2,318,514</b>  | <b>1,472,750</b>   | <b>1,883,516</b>    | <b>1,687,699</b>  | <b>430,150</b>      | <b>469,021</b>      | <b>300,639</b>    | <b>3,739,956</b>    | <b>4,657,501</b>  | <b>3,914,234</b>   |
| <b>EXCESS REVENUE OVER EXPENDITURE</b>                               |                        |                    |                    |                     |                   |                   |                    |                     |                   |                     |                     |                   |                     |                   |                    |
| <b>(EXPENDITURE OVER REVENUE)</b>                                    | <b>\$ (204,339)</b>    | <b>\$ (95,426)</b> | <b>\$ (45,184)</b> | <b>\$ (100,469)</b> | <b>\$ 206,598</b> | <b>\$ 545,529</b> | <b>\$ (75,501)</b> | <b>\$ (197,998)</b> | <b>\$ 129,209</b> | <b>\$ (118,900)</b> | <b>\$ (346,588)</b> | <b>\$ 238,031</b> | <b>\$ (511,366)</b> | <b>\$ 574,940</b> | <b>\$ (36,931)</b> |

**TSAY KEH DENE NATION**  
**SEGMENT DISCLOSURE**  
**FOR THE YEAR ENDED MARCH 31, 2020**

|   | PUBLIC WORKS<br>OPERATIONS AND MAINTENANCE |                     |                     | SOCIAL AND<br>COMMUNITY SERVICES |                  |                    | TREATY CLAIMS<br>AND NEGOTIATIONS |                     |                 | TRUST FUNDS           |                       |                     | OTHER       |                     |                   |
|---|--|---------------------|---------------------|----------------------------------|------------------|--------------------|-----------------------------------|---------------------|-----------------|-----------------------|-----------------------|---------------------|-------------|---------------------|-------------------|
|   | Budget                                     | 2020                | 2019                | Budget                           | 2020             | 2019               | Budget                            | 2020                | 2019            | Budget                | 2020                  | 2019                | Budget      | 2020                | 2019              |
| <b>REVENUE</b>  |  |                     |                     |                                  |                  |                    |                                   |                     |                 |                       |                       |                     |             |                     |                   |
| Indigenous and Northern Affairs Canada                                  | \$ 995,662                                 | \$ 1,143,280        | \$ 989,168          | \$ -                             | \$ 296,905       | \$ -               | \$ -                              | \$ -                | \$ -            | \$ -                  | \$ -                  | \$ -                | \$ -        | \$ -                | \$ -              |
| First Nations Health Authority  | -  | -                   | -                   | -                                | -                | 9,913              | -                                 | -                   | -               | -                     | -                     | -                   | -           | -                   | -                 |
| Province of British Columbia  | -  | -                   | -                   | -                                | -                | -                  | -                                 | 542,353             | 482,353         | -                     | -                     | -                   | -           | -                   | -                 |
| B.C. Hydro  | -  | 1,639               | 787,894             | -                                | -                | 293,285            | -                                 | -                   | -               | 1,180,511             | 2,324,611             | (1,373,529)         | -           | -                   | -                 |
| B.C. First Nations Gaming   | -  | -                   | -                   | -                                | -                | -                  | -                                 | -                   | -               | -                     | -                     | -                   | -           | -                   | -                 |
| Prince George Nechako Aboriginal Employment<br>and Training Association | -  | -                   | -                   | -                                | -                | -                  | -                                 | -                   | -               | -                     | -                     | -                   | -           | -                   | -                 |
| Ingenika Trading Post   | -  | -                   | -                   | -                                | -                | -                  | -                                 | -                   | -               | -                     | -                     | -                   | -           | 2,108,351           | 1,977,763         |
| Interest and trust  | -  | -                   | -                   | -                                | -                | -                  | -                                 | 314                 | 659             | -                     | 47,700                | 1,268,528           | -           | 1,332               | 1,187             |
| Rent and other  | 227,650                                    | -                   | 137,257             | 136,630                          | 126,630          | 11,620             | -                                 | 8,381,924           | -               | 212,326               | 7,765                 | -                   | -           | -                   | -                 |
| Ottawa trust funds  | -  | -                   | -                   | -                                | -                | -                  | -                                 | -                   | -               | -                     | 1,811                 | 2,061               | -           | -                   | -                 |
| Income from government<br>business entities                             | -  | -                   | -                   | -                                | -                | -                  | -                                 | -                   | -               | -                     | -                     | -                   | -           | 2,188,693           | 1,493,606         |
| Decrease (increase) in deferred revenue                                 | -  | -                   | -                   | -                                | -                | 20,000             | -                                 | -                   | -               | -                     | -                     | -                   | -           | -                   | -                 |
| <b>TOTAL REVENUE</b>  | <b>1,223,312</b>                           | <b>1,144,919</b>    | <b>1,914,319</b>    | <b>136,630</b>                   | <b>423,535</b>   | <b>334,818</b>     | <b>-</b>                          | <b>8,924,591</b>    | <b>483,012</b>  | <b>1,392,837</b>      | <b>2,381,887</b>      | <b>(102,940)</b>    | <b>-</b>    | <b>4,298,376</b>    | <b>3,472,556</b>  |
| <b>EXPENDITURE</b>  |  |                     |                     |                                  |                  |                    |                                   |                     |                 |                       |                       |                     |             |                     |                   |
| Administration  | -  | -                   | -                   | 11,250                           | 11,250           | -                  | -                                 | 27,000              | 23,998          | 5,000                 | -                     | 81,102              | -           | -                   | -                 |
| Amortization and interest   | -  | 288                 | 1,262               | -                                | -                | -                  | -                                 | -                   | -               | -                     | -                     | -                   | -           | 68,489              | 67,455            |
| Contract  | 156,000                                    | 129,128             | 824,944             | 1,650                            | 14,225           | 122,576            | -                                 | 114,000             | 130,922         | 219,665               | 602,837               | -                   | -           | 30,994              | 32,532            |
| Capital purchases and debt repayment                                    | -  | -                   | 357,612             | -                                | -                | -                  | -                                 | -                   | -               | -                     | 285,571               | -                   | -           | 11,569              | -                 |
| Honoraria   | -  | -                   | -                   | 900                              | -                | 7,620              | -                                 | 8,430               | 11,975          | 15,000                | 6,575                 | -                   | -           | -                   | -                 |
| Professional fees   | -  | -                   | -                   | -                                | -                | -                  | -                                 | 76,434              | 21,935          | 53,500                | 61,084                | -                   | -           | 7,800               | 8,470             |
| Rent  | -  | 1,485               | 1,800               | -                                | -                | -                  | -                                 | 15,145              | 15,690          | -                     | 15,923                | -                   | -           | -                   | -                 |
| Repairs and maintenance   | -  | 1,891               | 11,226              | -                                | 646              | 1,015              | -                                 | 1,200               | -               | 166,500               | 217,233               | -                   | -           | 8,973               | 29,195            |
| Supplies  | 115,961                                    | 308,645             | 91,373              | 16,925                           | 28,997           | 48,627             | -                                 | 21,881              | 9,440           | 115,000               | 455,633               | -                   | -           | 17,511              | 25,265            |
| Telephone and utilities   | -  | 23,322              | 379,954             | -                                | 1,492            | 43,942             | -                                 | 12,435              | 11,333          | 367,750               | 443,168               | -                   | -           | 44,850              | 34,287            |
| Travel and accommodations   | 46,000                                     | 99,296              | 63,123              | 22,380                           | 27,037           | 25,633             | -                                 | 19,812              | 31,862          | 269,500               | 296,268               | -                   | -           | 69,866              | 3,512             |
| Wages and benefits  | 433,913                                    | 496,256             | 303,241             | 90,000                           | 173,811          | 15,600             | -                                 | 201,415             | 216,978         | 801,525               | 816,172               | -                   | -           | 413,582             | 335,714           |
| Workshops and training  | -  | -                   | -                   | -                                | 5,175            | -                  | -                                 | 6,996               | 2,878           | -                     | 17,045                | -                   | -           | 2,500               | -                 |
| Other   | 631,438                                    | 631,753             | 21,538              | 8,525                            | 122,279          | 115,164            | -                                 | 42,247              | 6,504           | 448,000               | 505,915               | 18,147              | -           | 1,654,379           | 1,452,678         |
| Loss from government<br>business entities                               | -  | -                   | -                   | -                                | -                | -                  | -                                 | -                   | -               | -                     | -                     | -                   | -           | 2,730,940           | 877,795           |
| Unrealized loss on investment   | -  | -                   | -                   | -                                | -                | -                  | -                                 | -                   | -               | -                     | 1,069,377             | -                   | -           | -                   | -                 |
|   | <b>1,383,312</b>                           | <b>1,692,064</b>    | <b>2,056,073</b>    | <b>151,630</b>                   | <b>384,912</b>   | <b>380,177</b>     | <b>-</b>                          | <b>546,995</b>      | <b>483,515</b>  | <b>2,461,440</b>      | <b>4,792,801</b>      | <b>99,249</b>       | <b>-</b>    | <b>5,061,453</b>    | <b>2,866,903</b>  |
| <b>EXCESS REVENUE OVER EXPENDITURE<br/>(EXPENDITURE OVER REVENUE)</b>   | <b>\$ (160,000)</b>                        | <b>\$ (547,145)</b> | <b>\$ (141,754)</b> | <b>\$ (15,000)</b>               | <b>\$ 38,623</b> | <b>\$ (45,359)</b> | <b>\$ -</b>                       | <b>\$ 8,377,596</b> | <b>\$ (503)</b> | <b>\$ (1,068,603)</b> | <b>\$ (2,410,914)</b> | <b>\$ (202,189)</b> | <b>\$ -</b> | <b>\$ (763,077)</b> | <b>\$ 605,653</b> |



**TSAY KEH DENE NATION**  
**SEGMENT DISCLOSURE**  
**FOR THE YEAR ENDED MARCH 31, 2020**

|   | TANGIBLE CAPITAL ASSETS |                    |                     | TOTAL BEFORE ADJUSTMENTS |                     |                   | CONSOLIDATION ADJUSTMENTS |                   |                     | CONSOLIDATED TOTALS |                     |                     |
|---|-------------------------|--------------------|---------------------|--------------------------|---------------------|-------------------|---------------------------|-------------------|---------------------|---------------------|---------------------|---------------------|
|   | Budget                  | 2020               | 2019                | Budget                   | 2020                | 2019              | Budget                    | 2020              | 2019                | Budget              | 2020                | 2019                |
| <b>REVENUE</b>  |                         |                    |                     |                          |                     |                   |                           |                   |                     |                     |                     |                     |
| Indigenous and Northern Affairs Canada                                | \$ 2,700,000            | \$ 239,875         | \$ 883,052          | \$ 5,716,098             | \$ 4,042,638        | \$ 3,925,875      | \$ -                      | \$ -              | \$ -                | \$ 5,716,098        | \$ 4,042,638        | \$ 3,925,875        |
| First Nations Health Authority  | 575,000                 | 775,626            | 30,000              | 1,473,034                | 1,978,361           | 1,366,897         | -                         | -                 | -                   | 1,473,034           | 1,978,361           | 1,366,897           |
| Province of British Columbia  | -                       | -                  | -                   | 606,027                  | 1,777,109           | 1,039,579         | -                         | -                 | -                   | 606,027             | 1,777,109           | 1,039,579           |
| B.C. Hydro  | -                       | -                  | 366,680             | 3,910,511                | 5,216,731           | 5,359,420         | -                         | -                 | 3,511               | 3,910,511           | 5,216,731           | 5,362,931           |
| B.C. First Nations Gaming   | -                       | -                  | -                   | -                        | 569,560             | -                 | -                         | -                 | -                   | -                   | 569,560             | -                   |
| Prince George Nechako Aboriginal Employment and Training Association  | -                       | -                  | -                   | 67,620                   | 185,266             | -                 | -                         | -                 | -                   | 67,620              | 185,266             | -                   |
| Ingenika Trading Post   | -                       | -                  | -                   | -                        | 2,108,351           | 1,977,763         | -                         | -                 | -                   | -                   | 2,108,351           | 1,977,763           |
| Interest and trust  | -                       | -                  | -                   | -                        | 49,346              | 1,297,484         | -                         | -                 | -                   | -                   | 49,346              | 1,297,484           |
| Rent and other  | 114,753                 | -                  | 116,764             | 2,357,936                | 11,056,514          | 2,311,606         | -                         | -                 | (102,851)           | 2,357,936           | 11,056,514          | 2,208,755           |
| Ottawa trust funds  | -                       | -                  | -                   | -                        | 1,811               | 2,061             | -                         | -                 | -                   | -                   | 1,811               | 2,061               |
| Income from government business entities                              | -                       | -                  | -                   | -                        | 2,188,693           | 1,493,606         | -                         | -                 | -                   | -                   | 2,188,693           | 1,493,606           |
| Decrease (increase) in deferred revenue                               | -                       | 156,568            | (17,623)            | -                        | 185,873             | (11,496)          | -                         | -                 | (3,511)             | -                   | 185,873             | (15,007)            |
| <b>TOTAL REVENUE</b>  | <b>3,389,753</b>        | <b>1,172,069</b>   | <b>1,378,873</b>    | <b>14,131,226</b>        | <b>29,360,253</b>   | <b>18,762,795</b> | <b>-</b>                  | <b>-</b>          | <b>(102,851)</b>    | <b>14,131,226</b>   | <b>29,360,253</b>   | <b>18,659,944</b>   |
| <b>EXPENDITURE</b>  |                         |                    |                     |                          |                     |                   |                           |                   |                     |                     |                     |                     |
| Administration  | -                       | -                  | 3,000               | 379,429                  | 364,295             | 363,268           | -                         | -                 | (3,000)             | 379,429             | 364,295             | 360,268             |
| Amortization and interest   | -                       | -                  | -                   | 23,800                   | 191,844             | 185,513           | -                         | 1,284,634         | 1,263,780           | 23,800              | 1,476,478           | 1,449,293           |
| Contract  | 2,728,746               | 362,518            | 936,918             | 6,734,004                | 5,940,048           | 6,144,323         | (2,728,746)               | (362,518)         | (936,918)           | 4,005,258           | 5,577,530           | 5,207,405           |
| Capital purchases and debt repayment                                  | 589,753                 | 549,585            | 116,680             | 641,753                  | 920,766             | 637,306           | (641,753)                 | (920,766)         | (637,306)           | -                   | -                   | -                   |
| Honoraria   | -                       | -                  | -                   | 42,900                   | 31,409              | 50,685            | -                         | -                 | -                   | 42,900              | 31,409              | 50,685              |
| Professional fees   | -                       | -                  | -                   | 130,500                  | 239,400             | 190,341           | -                         | -                 | -                   | 130,500             | 239,400             | 190,341             |
| Rent  | 5,000                   | 7,600              | -                   | 59,800                   | 97,661              | 96,305            | (5,000)                   | (7,600)           | -                   | 54,800              | 90,061              | 96,305              |
| Repairs and maintenance   | -                       | -                  | -                   | 208,000                  | 275,801             | 174,081           | -                         | -                 | -                   | 208,000             | 275,801             | 174,081             |
| Supplies  | 100,000                 | 222,691            | 531,559             | 660,944                  | 1,726,350           | 1,123,143         | (100,000)                 | (222,691)         | (531,559)           | 560,944             | 1,503,659           | 591,584             |
| Telephone and utilities   | -                       | -                  | 1,454               | 661,709                  | 840,021             | 899,910           | -                         | -                 | (1,454)             | 661,709             | 840,021             | 898,456             |
| Travel and accommodations   | 15,000                  | 25,334             | 50,367              | 1,027,194                | 1,588,697           | 1,273,370         | (15,000)                  | (25,334)          | (153,218)           | 1,012,194           | 1,563,363           | 1,120,152           |
| Wages and benefits  | -                       | 45,276             | 273,726             | 4,523,906                | 5,182,900           | 3,751,511         | -                         | (45,276)          | (273,726)           | 4,523,906           | 5,137,624           | 3,477,785           |
| Workshops and training  | -                       | 2,897              | -                   | 68,624                   | 72,378              | 121,547           | -                         | (2,897)           | -                   | 68,624              | 69,481              | 121,547             |
| Other   | -                       | -                  | 579                 | 1,271,587                | 3,295,589           | 2,362,605         | -                         | -                 | (579)               | 1,271,587           | 3,295,589           | 2,362,026           |
| Loss from government business entities                                | -                       | -                  | -                   | -                        | 2,730,940           | 877,795           | -                         | -                 | -                   | -                   | 2,730,940           | 877,795             |
| Unrealized loss on investment   | -                       | -                  | -                   | -                        | 1,069,377           | -                 | -                         | -                 | -                   | -                   | 1,069,377           | -                   |
|   | <b>3,438,499</b>        | <b>1,215,901</b>   | <b>1,914,283</b>    | <b>16,434,150</b>        | <b>24,567,476</b>   | <b>18,251,703</b> | <b>(3,490,499)</b>        | <b>(302,448)</b>  | <b>(1,273,980)</b>  | <b>12,943,651</b>   | <b>24,265,028</b>   | <b>16,977,723</b>   |
| <b>EXCESS REVENUE OVER EXPENDITURE<br/>(EXPENDITURE OVER REVENUE)</b> | <b>\$ (48,746)</b>      | <b>\$ (43,832)</b> | <b>\$ (535,410)</b> | <b>\$ (2,302,924)</b>    | <b>\$ 4,792,777</b> | <b>\$ 511,092</b> | <b>\$ 3,490,499</b>       | <b>\$ 302,448</b> | <b>\$ 1,171,129</b> | <b>\$ 1,187,575</b> | <b>\$ 5,095,225</b> | <b>\$ 1,682,221</b> |

TSAY KEH DENE NATION  
GOVERNMENT BUSINESS ENTITIES  
CONDENSED FINANCIAL INFORMATION  
FOR THE YEAR ENDED MARCH 31, 2020

APPENDIX A

|                                     | 1035969<br>B.C. Ltd. | Chu-Cho<br>Enterprises Ltd. | Chu Cho<br>Environmental<br>LLP | Chu Cho<br>Forestry<br>LLP | Chu Cho<br>Industries<br>Limited<br>Partnership | Claw Mountain<br>LLP | Ingenika<br>Logging Ltd. | Three<br>Feathers<br>GP Ltd. | Three<br>Feathers<br>Limited<br>Partnership | Tsay Keh<br>Developments<br>Limited<br>Partnership | Tsay Keh<br>Economic<br>Development<br>Corporation | Tsay Keh<br>Enterprises Ltd. | Tsay Keh<br>Holdings Ltd. | Tse Keh Nay<br>LLP | Total<br>2020        | Total<br>2019        |
|-------------------------------------|----------------------|-----------------------------|---------------------------------|----------------------------|---|----------------------|--------------------------|------------------------------|---|--|--|------------------------------|---------------------------|--------------------|----------------------|----------------------|
| <b>Assets</b>                       |                      |                             |                                 |                            |   |                      |                          |                              |   |  |  |                              |                           |                    |                      |                      |
| Financial Assets                    | \$ 213,452           | \$ -                        | \$ 1,148,313                    | \$ 2,877,807               | \$ 1,868,291                                    | \$ -                 | \$ -                     | \$ 529                       | \$ 1,690,557                                | \$ -   | \$ -   | \$ 251,716                   | \$ -                      | \$ 293,035         | \$ 8,343,700         | \$8,001,015          |
| Tangible Capital Assets             | -                    | -                           | 123,849                         | -                          | 8,844,036                                       | -                    | -                        | -                            | -   | -  | -  | 461,383                      | -                         | -                  | 9,429,268            | 11,298,744           |
| Other Assets                        | -                    | -                           | 10,270                          | 375,717                    | 19,955  | -                    | -                        | -                            | 13,200                                      | -  | -  | 1,432                        | -                         | -                  | 420,574              | 1,358,865            |
| <b>Total Assets</b>                 | <b>\$ 213,452</b>    | <b>\$ -</b>                 | <b>\$ 1,282,432</b>             | <b>\$ 3,253,524</b>        | <b>\$ 10,732,282</b>                            | <b>\$ -</b>          | <b>\$ -</b>              | <b>\$ 529</b>                | <b>\$ 1,703,757</b>                         | <b>\$ -</b>  | <b>\$ -</b>  | <b>\$ 714,531</b>            | <b>\$ -</b>               | <b>\$ 293,035</b>  | <b>\$ 18,193,542</b> | <b>\$ 20,658,624</b> |
| <b>Liabilities</b>                  |                      |                             |                                 |                            |   |                      |                          |                              |   |  |  |                              |                           |                    |                      |                      |
| Debt                                | \$ -                 | \$ -                        | \$ 191,233                      | \$ 1,329,130               | \$ 2,658,455                                    | \$ -                 | \$ -                     | \$ 1,650                     | \$ 819,374                                  | \$ -   | \$ -   | \$ 60,391                    | \$ -                      | \$ 29,913          | \$ 5,090,146         | \$4,574,903          |
| Contributed Surplus                 | -                    | -                           | 151,170                         | -                          | 9,418,570                                       | -                    | -                        | -                            | -   | -  | -  | -                            | -                         | -                  | 9,569,740            | 9,823,565            |
| Equity (Deficit)                    | 56,753               | -                           | 940,029                         | 2,136,597                  | (2,081,448)                                     | -                    | -                        | (2,771)                      | 886,033                                     | -  | -  | 15,972                       | -                         | 263,122            | 2,214,287            | 3,519,799            |
| <b>Total Liabilities and Equity</b> | <b>\$ 56,753</b>     | <b>\$ -</b>                 | <b>\$ 1,282,432</b>             | <b>\$ 3,465,727</b>        | <b>\$ 9,995,577</b>                             | <b>\$ -</b>          | <b>\$ -</b>              | <b>\$ (1,121)</b>            | <b>\$ 1,705,407</b>                         | <b>\$ -</b>  | <b>\$ -</b>  | <b>\$ 76,363</b>             | <b>\$ -</b>               | <b>\$ 293,035</b>  | <b>\$ 16,874,173</b> | <b>\$ 17,918,267</b> |
| <b>Related Party Loans</b>          | <b>\$ 156,699</b>    | <b>\$ -</b>                 | <b>\$ -</b>                     | <b>\$ (212,203)</b>        | <b>\$ 736,705</b>                               | <b>\$ -</b>          | <b>\$ -</b>              | <b>\$ 1,650</b>              | <b>\$ (1,650)</b>                           | <b>\$ -</b>  | <b>\$ -</b>  | <b>\$ 638,168</b>            | <b>\$ -</b>               | <b>\$ -</b>        | <b>\$ 1,319,369</b>  | <b>\$ 2,740,357</b>  |
| Intercompany Loans                  | \$ -                 | \$ -                        | \$ -                            | \$ (212,203)               | \$ 736,705                                      | \$ -                 | \$ -                     | \$ 1,650                     | \$ (1,650)                                  | \$ -   | \$ -   | \$ -                         | \$ -                      | \$ -               | \$ 524,502           | \$ (14,525)          |
| Tsay Keh Dene Nation Advances       | 156,669              | -                           | -                               | -                          | -   | -                    | -                        | -                            | -   | -  | -  | 638,168                      | -                         | -                  | 794,837              | 2,754,882            |
| <b>Related Party Loans</b>          | <b>\$ 156,669</b>    | <b>\$ -</b>                 | <b>\$ -</b>                     | <b>\$ (212,203)</b>        | <b>\$ 736,705</b>                               | <b>\$ -</b>          | <b>\$ -</b>              | <b>\$ 1,650</b>              | <b>\$ (1,650)</b>                           | <b>\$ -</b>  | <b>\$ -</b>  | <b>\$ 638,168</b>            | <b>\$ -</b>               | <b>\$ -</b>        | <b>\$ 1,319,339</b>  | <b>\$ 2,740,357</b>  |
| <b>Revenue and other income</b>     | <b>\$ 24,587</b>     | <b>\$ -</b>                 | <b>\$ 3,709,922</b>             | <b>\$ 1,559,407</b>        | <b>\$ 11,133,381</b>                            | <b>\$ -</b>          | <b>\$ -</b>              | <b>\$ 98</b>                 | <b>\$ 1,732,325</b>                         | <b>\$ -</b>  | <b>\$ -</b>  | <b>\$ 98,246</b>             | <b>\$ -</b>               | <b>\$ 593,490</b>  | <b>\$ 18,851,456</b> | <b>\$22,937,255</b>  |
| <b>Expenses</b>                     |                      |                             |                                 |                            |   |                      |                          |                              |   |  |  |                              |                           |                    |                      |                      |
| Amortization                        | -                    | -                           | 2,949,388                       | 660,468                    | 11,307,201                                      | -                    | -                        | 3,300                        | 736,659                                     | -  | -  | 51,593                       | -                         | 9,117              | 15,717,726           | 18,860,911           |
| Interest                            | -                    | -                           | 43,065                          | -                          | 1,917,732                                       | -                    | -                        | -                            | -   | -  | -  | 24,411                       | -                         | -                  | 1,985,208            | 2,020,864            |
| Corporate Income Taxes (Recovery)   | -                    | -                           | 12,359                          | -                          | 638,596   | -                    | -                        | -                            | 981   | -  | -  | -                            | -                         | 90                 | 652,026              | 526,626              |
| <b>Total Expenses</b>               | <b>-</b>             | <b>-</b>                    | <b>3,004,812</b>                | <b>660,468</b>             | <b>13,863,529</b>                               | <b>-</b>             | <b>-</b>                 | <b>3,295</b>                 | <b>737,640</b>                              | <b>-</b>   | <b>-</b>   | <b>51,339</b>                | <b>-</b>                  | <b>9,207</b>       | <b>18,330,290</b>    | <b>21,406,710</b>    |
| <b>Net Income (Loss)</b>            | <b>\$ 24,587</b>     | <b>\$ -</b>                 | <b>\$ 705,110</b>               | <b>\$ 898,939</b>          | <b>\$ (2,730,148)</b>                           | <b>\$ -</b>          | <b>\$ -</b>              | <b>\$ (3,197)</b>            | <b>\$ 994,685</b>                           | <b>\$ -</b>  | <b>\$ -</b>  | <b>\$ 46,907</b>             | <b>\$ -</b>               | <b>\$ 584,283</b>  | <b>\$ 521,166</b>    | <b>\$ 1,530,545</b>  |
| <b>Tsay Keh Dene Nation Share</b>   | <b>\$ 24,587</b>     | <b>\$ -</b>                 | <b>\$ 701,584</b>               | <b>\$ 894,444</b>          | <b>\$ (2,729,875)</b>                           | <b>\$ -</b>          | <b>\$ -</b>              | <b>\$ (1,066)</b>            | <b>\$ 331,529</b>                           | <b>\$ -</b>  | <b>\$ -</b>  | <b>\$ 46,907</b>             | <b>\$ -</b>               | <b>\$ 194,761</b>  | <b>\$ (537,129)</b>  | <b>\$722,842</b>     |



TSAY KEH DENE NATION  
TANGIBLE CAPITAL ASSETS  
FOR THE YEAR ENDED MARCH 31, 2020

APPENDIX B

|                                | COST                 |                     |                    |                      | ACCUMULATED AMORTIZATION |                     |                    |                      | NET BOOK VALUE       |
|--------------------------------|----------------------|---------------------|--------------------|----------------------|--------------------------|---------------------|--------------------|----------------------|----------------------|
|                                | Opening Balance      | Additions           | Disposals          | Balance End of Year  | Opening Balance          | Amortization        | Disposals          | Balance End of Year  | 2020                 |
| Automotive equipment           | \$ 744,386           | \$ 196,587          | \$ -               | \$ 940,973           | \$ 545,479               | \$ 89,160           | \$ -               | \$ 634,639           | \$ 306,334           |
| Buildings                      | 8,309,203            | 726,120             | -                  | 9,035,323            | 2,866,553                | 213,827             | -                  | 3,080,380            | 5,954,943            |
| Computer equipment             | 271,524              | -                   | -                  | 271,524              | 199,605                  | 21,576              | -                  | 221,181              | 50,343               |
| Equipment                      | 805,884              | 16,950              | (28,295)           | 794,539              | 673,661                  | 25,920              | (17,864)           | 681,717              | 112,822              |
| Furniture and office equipment | 98,500               | -                   | -                  | 98,500               | 69,622                   | 5,775               | -                  | 75,397               | 23,103               |
| Heavy duty equipment           | 918,596              | 31,500              | -                  | 950,096              | 536,644                  | 119,311             | -                  | 655,955              | 294,141              |
| Housing                        | 19,577,093           | -                   | -                  | 19,577,093           | 7,956,549                | 571,444             | -                  | 8,527,993            | 11,049,100           |
| Infrastructure                 | 15,180,719           | 536,313             | -                  | 15,717,032           | 5,560,950                | 283,000             | -                  | 5,843,950            | 9,873,082            |
| Ingenika Trading Post          | 981,284              | 11,569              | -                  | 992,853              | 472,574                  | 59,086              | -                  | 531,660              | 461,193              |
| Land                           | 938,199              | -                   | -                  | 938,199              | -                        | -                   | -                  | -                    | 938,199              |
|                                | <b>\$ 47,825,388</b> | <b>\$ 1,519,039</b> | <b>\$ (28,295)</b> | <b>\$ 49,316,132</b> | <b>\$ 18,881,637</b>     | <b>\$ 1,389,099</b> | <b>\$ (17,864)</b> | <b>\$ 20,252,872</b> | <b>\$ 29,063,260</b> |

|                                | COST                 |                     |                   |                      | ACCUMULATED AMORTIZATION |                     |                   |                      | NET BOOK VALUE       |
|--------------------------------|----------------------|---------------------|-------------------|----------------------|--------------------------|---------------------|-------------------|----------------------|----------------------|
|                                | Opening Balance      | Additions           | Disposals         | Balance End of Year  | Opening Balance          | Amortization        | Disposals         | Balance End of Year  | 2019                 |
| Automotive equipment           | \$ 668,905           | \$ 75,481           | \$ -              | \$ 744,386           | \$ 476,407               | \$ 69,072           | \$ -              | \$ 545,479           | \$ 198,907           |
| Buildings                      | 8,267,151            | 42,052              | -                 | 8,309,203            | 2,656,181                | 210,372             | -                 | 2,866,553            | 5,442,650            |
| Computer equipment             | 271,524              | -                   | -                 | 271,524              | 168,783                  | 30,822              | -                 | 199,605              | 71,919               |
| Equipment                      | 797,884              | 8,000               | -                 | 805,884              | 641,802                  | 31,859              | -                 | 673,661              | 132,223              |
| Furniture and office equipment | 98,500               | -                   | -                 | 98,500               | 62,403                   | 7,219               | -                 | 69,622               | 28,878               |
| Heavy duty equipment           | 522,265              | 396,331             | -                 | 918,596              | 457,878                  | 78,766              | -                 | 536,644              | 381,952              |
| Housing                        | 19,030,351           | 546,742             | -                 | 19,577,093           | 7,364,374                | 592,175             | -                 | 7,956,549            | 11,620,544           |
| Infrastructure                 | 13,950,665           | 1,230,054           | -                 | 15,180,719           | 5,270,185                | 290,765             | -                 | 5,560,950            | 9,619,769            |
| Ingenika Trading Post          | 944,229              | 46,930              | (9,875)           | 981,284              | 408,081                  | 67,455              | (2,962)           | 472,574              | 508,710              |
| Land                           | 938,199              | -                   | -                 | 938,199              | -                        | -                   | -                 | -                    | 938,199              |
|                                | <b>\$ 45,489,673</b> | <b>\$ 2,345,590</b> | <b>\$ (9,875)</b> | <b>\$ 47,825,388</b> | <b>\$ 17,506,094</b>     | <b>\$ 1,378,505</b> | <b>\$ (2,962)</b> | <b>\$ 18,881,637</b> | <b>\$ 28,943,751</b> |