

**TSEY CUM FIRST NATION
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2020**

INDEX

Management's Responsibility
Independent Auditors' Report
Exhibit "A" – Consolidated Statement of Financial Position at March 31, 2020
Exhibit "B" – Consolidated Statement of Operations and Accumulated Surplus for the year ended March 31, 2020
Exhibit "C" – Consolidated Statement of Changes in Net Debt for the year ended March 31, 2020
Exhibit "D" - Consolidated Statement of Cash Flows for the year ended March 31, 2020
Notes to the Consolidated Financial Statements
Independent Practitioner's Review Engagement Report
Annex "B" – Schedule of Salaries, Honoraria, Travel and Other Remuneration
Independent Practitioner's Review Engagement Report
Annex "C" – Schedule of Remuneration and Expenses Paid to Unelected Senior Officials
Management Letter

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The financial statements of Tseycum First Nation have been prepared in accordance with Canadian public sector accounting standards. When alternative accounting methods exist, management has chosen those it deems most appropriate in the circumstances. These statements include certain amounts based on management's estimates and judgments. Management has determined such amounts based on a reasonable basis in order to ensure that the financial statements are presented fairly in all material respects.

The integrity and reliability of Tseycum First Nation's reporting systems are achieved through the use of formal policies and procedures, the careful selection of employees and an appropriate division of responsibilities. These systems are designed to provide reasonable assurance that the financial information is reliable and accurate.

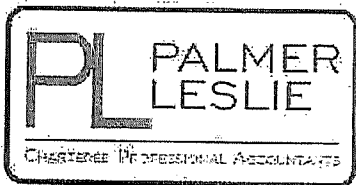
The Chief and Council is responsible for ensuring that management fulfills its responsibility for financial reporting and is ultimately responsible for reviewing and approving the financial statements. The Chief and Council carries out this responsibility principally through its Audit Committee. The Audit Committee is appointed by the Chief and Council and meets periodically with management and the members' auditors to review significant accounting, reporting and internal control matters. Following its review of the financial statements and discussions with the auditors, the Audit Committee reports to the Chief and Council prior to its approval of the financial statements. The Committee also considers, for review by the Chief and Council and approval by the members, the engagement or re-appointment of the external auditors.

The financial statements have been audited on behalf of the members by PALMER LESLIE, Chartered Professional Accountants, in accordance with Canadian public sector accounting standards.

President and CEO

Vice President

Sidney, BC
June 11, 2021



Alex E. Palmer, CPA, CMA
Tammy Leslie, CPA, CGA, CMA
Tavish Anil, CPA, CGA

PLA Professional Corporation

**To the Members of
Tseycum First Nation**

INDEPENDENT AUDITORS' REPORT

Opinion

We have audited the accompanying consolidated financial statements of Tseycum First Nation (the First Nation), which comprise the Consolidated Statement of Financial Position as at March 31, 2020, Consolidated Statements of Operations and Accumulated Surplus, Change in Net Debt and Cash Flows for the year then ended, a summary of significant accounting policies and other explanatory information and schedules one through six which are comprised of the Statement of Financial position, Statement of Operations and Accumulated Surplus, Change in Net Financial Debts and Cash Flows for the Social Housing program.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the First Nation as at March 31, 2020, and the results of its operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the First Nation in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with those requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and those charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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.

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In preparing the financial statements, management is responsible for assessing the First Nation's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using going concern basis of accounting unless management either intends to liquidate the First Nation or to cease operations, or has no realistic alternative but to do so.

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

Auditors' Responsibilities for the Audit of the Financial Statements

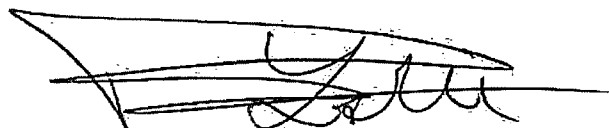
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee 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 financial statements. As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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

represent the underlying transactions and events in a manner that achieves fair presentation.

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

Duncan, BC
June 11, 2021

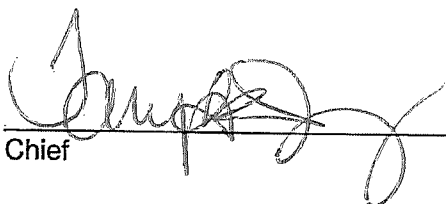


Chartered Professional Accountants

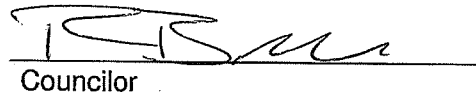
**TSEY CUM FIRST NATION
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2020**

Exhibit "A"

	2020	2019
Financial Assets		
Cash and cash equivalents	\$ 112,080	\$ -
Restricted cash (Note 7)	238,423	16,814
Accounts receivable (Note 4)	446,611	416,929
Portfolio investments (Note 5)	3	3
	<u>797,117</u>	<u>433,746</u>
Liabilities		
Bank indebtedness (Note 12)	-	131,918
Accounts payable and accrued liabilities	760,304	569,681
Deferred revenues	16,629	99,317
Bank loans (Notes 9 & 17)	406,797	451,727
Accrued payroll and benefits	162,578	86,281
	<u>1,346,308</u>	<u>1,338,924</u>
Net Debt - Exhibit "C"	<u>(549,191)</u>	<u>(905,178)</u>
Non-Financial Assets		
Tangible capital assets (Notes 1 & 10)	4,179,822	4,204,319
Deferred expenditures (Note 6)	27,437	22,677
	<u>4,207,259</u>	<u>4,226,996</u>
Accumulated Surplus - Exhibit "B"	<u>\$ 3,658,068</u>	<u>\$ 3,321,818</u>



Chief



Councilor

Councilor

TSEYECUM FIRST NATION
CONSOLIDATED STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS
FOR THE YEAR ENDED MARCH 31, 2019

	2020		2019
	Budget	Actual	
Revenue			
Federal Government:			
Department of Indigenous Service Canada	\$ 700,570	\$ 932,919	\$ 932,147
Department of Fisheries and Oceans	-	233,090	40,090
Mortgage and Housing Corporation	-	43,951	99,604
Provincial Government	-	130,779	183,788
First Nation Gaming Fund	-	279,688	-
Victoria Airport Authority	-	8,216	63,804
Coast Salish Employment and Training Society	67,158	65,340	72,892
Fishing license lease	-	9,155	112,396
First Nation Education Steering Committee	-	-	18,583
First Nation Health Authority	-	504,581	152,455
Victoria Native Friendship Centre	-	13,553	34,240
Intertribal Health Authority	286,156	13,400	288,095
Mainroad South Island Contracting	-	-	18,887
Tsartlip First Nation	45,828	45,830	45,831
BC Hydro	-	2,820	2,000
Camosun College	-	-	11,720
BCAAFC	-	-	2,500
First Nations Summit Society	-	-	2,083
Capital Regional District	-	5,000	1,040
Industrial Bloom	-	40,000	-
Royal BC Museum	-	-	30,000
United Way of Victoria	10,000	-	10,000
Port of Vancouver	-	286,577	8,000
First Nation Lands Management	-	56,250	-
AFOA	-	3,671	-
Transmountain Pipeline - consultaion	-	-	57,781
Allardyce Bower Foundation	-	-	21,647
New Relationship Trust	-	20,000	7,500
Cafeteria	-	96,673	28,477
Canada Transport - Marine Stewardship	-	198,858	-
Rent	-	53,159	88,481
Island Health	-	31,750	-
University of Victoria	-	8,910	-
NILTUO CFS Society	-	59,959	33,350
WSANEC	-	20,000	-
Trust funds held by Federal Gov't (Note 7)	-	519,603	629
Economic activities - other	-	19,272	29,500
	<u>1,109,712</u>	<u>3,703,004</u>	<u>2,397,520</u>

Exhibit "B"

**TSEY CUM FIRST NATION
CONSOLIDATED STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS
FOR THE YEAR ENDED MARCH 31, 2020**

	2020		2019
	Budget	Actual	
Revenue (balance forward)	1,109,712	3,703,004	2,397,520
Expenses			
Amortization	-	217,595	198,452
Operating fund (net of cost allocations) (Note 11)	1,197,296	3,108,883	2,665,006
Social housing (net of cost allocations) (Note 11)	-	40,276	43,651
	<u>1,197,296</u>	<u>3,366,754</u>	<u>2,907,109</u>
Annual surplus/(deficit) - Exhibits "C" & "D"	(87,584)	336,250	(509,589)
SURPLUS, beginning of year	<u>3,321,818</u>	<u>3,321,818</u>	<u>3,831,407</u>
Accumulated Surplus/(Deficit), end of year - Exhibit "A"	<u>\$ 3,234,234</u>	<u>\$ 3,658,068</u>	<u>\$ 3,321,818</u>

Exhibit "C"

**TSEY CUM FIRST NATION
CONSOLIDATED STATEMENT OF CHANGE IN NET DEBT
FOR THE YEAR ENDED MARCH 31, 2020**

	2020		2019
	Budget	Actual	
Annual Surplus - Exhibit "B"	\$ (87,584)	\$ 336,250	\$ (509,589)
Acquisition of tangible capital assets	-	(193,097)	(27,165)
Amortization of tangible capital assets	-	217,595	198,452
Use of prepaid expenses	-	(4,761)	(7,423)
(Increase)/Decrease in net debt	(87,584)	355,987	(345,725)
Net debt, beginning of year	(905,178)	(905,178)	(559,453)
Net debt, end of year - Exhibit "A"	<u>\$ (992,762)</u>	<u>\$ (549,191)</u>	<u>\$ (905,178)</u>

**TSEY CUM FIRST NATION
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED MARCH 31, 2020**

Exhibit "D"

	<u>2020</u>	<u>2019</u>
Operating transactions		
Annual Surplus - Exhibit "B"	\$ 336,250	\$ (509,589)
Non-cash items included in annual surplus/(deficit)		
Amortization of tangible capital assets	217,595	198,452
	<u>553,845</u>	<u>(311,137)</u>
Change in non-cash working capital balances		
Accounts receivable	(29,682)	21,430
Deferred expenditures	(4,761)	(7,424)
Inventory	-	1,310
Accounts payable and accrued liabilities	190,623	360,728
Deferred revenues	(82,688)	8,201
Accrued payroll and benefits	76,297	36,520
Cash provided by operating transactions	<u>703,634</u>	<u>109,628</u>
Capital transactions		
Acquisition of tangible capital assets	(193,097)	(27,165)
Cash provided/(applied) by capital transactions	<u>(193,097)</u>	<u>(27,165)</u>
Financing transactions		
Repayment of loans	(44,930)	(23,717)
Cash applied to financing transactions	<u>(44,930)</u>	<u>(23,717)</u>
Increase/(decrease) in cash and cash equivalents	465,607	58,746
Cash and cash equivalents, beginning of year	<u>(115,104)</u>	<u>(173,850)</u>
Cash and cash equivalents, end of year	<u>\$ 350,503</u>	<u>\$ (115,104)</u>
Represented by:		
Cash - restricted	\$ 238,423	\$ 16,814
Cash - unrestricted	112,080	-
Bank overdraft	-	(131,918)
	<u>\$ 350,503</u>	<u>\$ (115,104)</u>

TSEYCUM FIRST NATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2020

1. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES

These summarized financial statements have been prepared in accordance with Generally Accepted Accounting Standards for the public sector as recommended by the Public Sector Accounting Board of the Canadian Institute of Chartered Professional Accountants, which encompasses the following principles:

Fund Accounting

The assets and liabilities have been segregated by fund in respective statements of financial position. Operating results are reported by schedule for the purpose of providing information relating to specific objectives, as determined by statutory requirement, management needs or pursuant to various fiscal arrangements entered into by the First Nation.

The Operating Fund reports the general and local Government activities of the First Nation Administration.

The Social Housing Fund reports the activities within the First Nation sponsored Social Housing Program.

The Enterprise Fund reports the results of activities for independent commercial entities owned by the First Nation.

The Trust Fund reports on trust funds owned by the First Nation and held by third parties.

The Capital Fund reports the capital asset transactions of the First Nation, including information as to the source and application of financing.

Saanich Indian School Board

Tseycum First Nation has permitted Indigenous and Northern Affairs Canada to allocate its education funding to the Saanich Indian School Board. Indigenous and Northern Affairs Canada has contributed these monies directly to the School Board. Tseycum First Nation is not responsible for the activities of the school.

Asset Classification

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

TSEY CUM FIRST NATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2020

1. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES cont'd

Tangible Capital Assets

Buildings, infrastructure and equipment expenditures incurred after March 31, 2000 were valued at acquisition cost and were recorded in the Capital Fund. With the exception of Band Owned Housing and Social Housing, expenditures incurred previous to April 1, 2000 were charged to operations in the year of acquisition and had not been reflected in the Capital Fund.

The acquisition costs of tangible capital assets and payments on capital debt, which are not funded from capital financing sources, are funded by the applicable revenue source in the year of acquisition. These expenditures are also recorded as an addition to the assets of the Capital Fund with a corresponding increase in Equity in Capital Assets.

Tangible Capital Assets are amortized annually with a corresponding reduction in Equity in Capital Assets. Assets are amortized over their expected useful life using the declining balance method at the following rates:

Buildings	4%
Community Infrastructure	4%
Equipment	20%
General Housing	5%
Computers	100%

In the year of acquisition 50% of the normal amortization is recorded.

Net Debt

The First Nation's financial statements are presented so as to highlight net debt as the measurement of financial position. The net debt of the First Nation is determined by its liabilities less its financial assets. Net debt is comprised of two components, non-financial assets and accumulated surplus.

Revenue Recognition

Revenue is recognized as it becomes receivable under the terms of applicable funding agreements.

Funding received which relates to the following fiscal period is reflected as deferred revenue on the Statement of Financial Position.

Funding which is received and recorded as revenue in the current period, but which is committed to expenditures in the subsequent period or is subject to recovery by the funding agency, is classified as a restricted surplus.

TSEYCUM FIRST NATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2020

1. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES cont'd

Measurement Uncertainty

In preparing the financial statements for the government of Tseycum First Nation, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenue and expenses during the period. The main estimates used in preparing these financial statements include allowance for doubtful accounts and accrued liabilities. Actual results could differ from these estimates.

2. ECONOMIC DEPENDENCE

The First Nation received a major portion of its operating revenues pursuant to an agreement referred to as "The Comprehensive Funding Arrangement". This agreement has been entered into by Tseycum First Nation and Indigenous and Northern Affairs Canada. It is expected that the agreement will be renewed on an annual basis.

Funding is based on an annual budget which is agreed to by the parties and consists of flexible transfer payments and contribution payments. In the case of the flexible transfer payments, the First Nation is permitted to use surpluses at its own discretion, provided the terms and conditions of the agreement are met, but must take responsibility for any deficits. In the case of the contribution payments, any surpluses must be returned to Indigenous and Northern Affairs Canada.

3. TRANSFERS

All transfers between funds have been approved by the Council with an appropriate Band Council Resolution having been affected where required.

TSEYCUM FIRST NATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2020

4. ACCOUNTS RECEIVABLE

	2020	2019
Operating Fund		
Band Members	\$ 30,116	\$ 31,986
Government of Canada		
Department of Fisheries and Oceans	233,778	80,274
Goods and Services Tax	5,300	5,300
Indigenous Service Canada	66,112	111,596
Coast Salish Employment and Training Society	38,201	26,855
Canada Mortgage and Housing	27,311	43,515
First Nation Entities	-	10,491
Royal BC Museum	6,000	6,000
N.I.L.T.U.O.	-	7,800
Allardyce Bower Foundation	-	2,629
Intertribal Health Authority	-	21,093
Trans Mountain Pipeline	-	33,386
	<u>406,818</u>	<u>380,925</u>
Social Housing Fund		
Rent	<u>39,793</u>	<u>36,004</u>
	<u>\$ 446,611</u>	<u>\$ 416,929</u>

5. PORTFOLIO INVESTMENTS

	2020	2019
Long Term Investments	\$ <u>3</u>	\$ <u>3</u>

This corporation is a subsidiary of the First Nation and was incorporated under the British Columbia Company Act on July 26, 2001. The company's year end is March 31. The company is presently inactive and its only asset is a trailer. All operating expenses for the asset are paid by the First Nation and are reflected in these financial statements.

TSEYCUM FIRST NATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2020

6. DEFERRED EXPENDITURES

Deferred expenditures consist of the following payments made in the current year which are related to activities in the next fiscal period.

	<u>2020</u>	<u>2019</u>
Social Development payments	<u>\$ 27,437</u>	<u>\$ 22,677</u>

7. RESTRICTED CASH

Ottawa Trust Funds	\$ 230,067	\$ 8,207
Replacement Reserve	<u>8,355</u>	<u>8,607</u>
	<u>\$ 238,422</u>	<u>\$ 16,814</u>

Ottawa Trust Funds

The Ottawa Trust Funds arise from monies derived from capital or revenue sources as outlined in Section 62 of the Indian Act. These funds are held in trust in the Consolidated Revenue Fund of the Government of Canada and are subject to audit by the Office of the Auditor General of Canada. The management of these funds is primarily governed by Sections 63 to 69 of the Indian Act.

	Opening Balance	Additions	Withdrawals	Closing Balance 2020	2019
Revenue	\$ 6,979	\$ 5,732	\$ 9,000	\$ 4,340	\$ 7,608
Capital	<u>599</u>	<u>513,871</u>	<u>288,743</u>	<u>255,727</u>	<u>599</u>
	\$ 7,578	\$ 519,603	\$ 297,743	<u>\$ 230,067</u>	<u>\$ 8,207</u>

TSEYCUM FIRST NATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2020

7. RESTRICTED CASH cont'd

Replacement Reserve

Under the terms of the agreement with Canada Mortgage and Housing Corporation, the Replacement Reserve account is to be credited in the amount of \$7,000 annually. These funds, along with accumulated interest, must be held in a separate bank account and/or invested only in accounts or instruments insured by the Canada Deposit Insurance Corporation or as may otherwise be approved by CMHC from time to time. The funds in the account may only be used as approved by CMHC.

Subsidy Surplus Reserve

Under the terms of the agreement with Canada Mortgage and Housing Corporation, excess federal assistance payments received may be retained in a subsidy surplus reserve up to a maximum of \$500 per unit plus interest. The reserve is to be comprised of monies deposited in a separate bank account and/or invested only in accounts or instruments insured by the Canada Deposit Insurance Corporation or as may otherwise be approved by CMHC from time to time. The funds in this account may only be used to meet future subsidy requirements of income tested occupants over and above the maximum federal assistance. At year end, this Reserve was not funded.

8. USE OF ESTIMATES

The preparation of financial statements in accordance with Generally Accepted Accounting Standards for the Public Sector Accounting Board requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and revenue and expenses during the reporting period. Significant areas requiring the use of management estimates relate to the collectibility of accounts receivable, deferred revenues and provisions for contingencies. Actual results could differ from those estimates. Adjustments, if any, will be reflected in operations in the period of settlement.

TSEY CUM FIRST NATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2020

9. LONG TERM DEBT

Lender	Loan	Interest Rate	Compounding	Maturity Date	Monthly Payment	2020	2019
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Band Owned Housing Loans

The following loans are secured by a Ministerial Guarantee utilizing the Ottawa Trust Funds as security:

Royal Bank	Demand Loan	2.61%	Semi-Annual	Dec. 2021	\$ 1,059	\$ 21,756	\$ 33,657
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Social Housing Loans

The following loans are governed by the Canada Mortgage and Housing Corporation funding arrangement and are secured by Ministerial Guarantee utilizing the Ottawa Trust Funds as security:

All Nations Trust Company	Demand Loan	1.91%	Semi-Annual	Jun. 2025	<u>\$ 2,684</u>	<u>\$ 385,041</u>	<u>\$ 418,070</u>
TOTAL GROSS DEBT					<u>\$ 4,055</u>	<u>\$ 406,797</u>	<u>\$ 451,727</u>

TSEYCUM FIRST NATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2020

9. LONG TERM DEBT cont'd

FUTURE SCHEDULED PRINCIPAL REDUCTION	2021	2022	2023	2024	2025
Band Owned Housing Loans					
Royal Bank	\$ 11,900	\$ 9,856	\$ -	\$ -	\$ -
Social Housing Loans					
CMHC – Royal Bank	<u>25,072</u>	<u>25,555</u>	<u>26,048</u>	<u>26,550</u>	<u>\$ 27,061</u>
TOTAL	<u>\$ 36,972</u>	<u>\$ 35,411</u>	<u>\$ 26,048</u>	<u>\$ 26,550</u>	<u>\$ 27,061</u>

TSEY CUM FIRST NATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2020

10. TANGIBLE CAPITAL ASSETS

	Cost Mar. 31, 2019	Additions	Dispositions/ Transfers	Cost Mar. 31, 2020
Operating Fund				
Band Housing	\$ 2,238,872	\$ -	\$ -	\$ 2,238,872
Multi Purpose Building and Longhouse	225,005	-	-	225,005
Portables	140,652	-	-	140,652
Head Start Building	42,500	-	-	42,500
Drainage Improvements	582,516	-	-	582,516
Water Mains and Road Upgrades	960,304	-	-	960,304
Infrastructure	729,966	-	-	729,966
Sewer Systems	522,045	-	-	522,045
Foreshore Project	167,773	-	-	167,773
<u>General Equipment</u>	<u>136,993</u>	-	-	<u>136,993</u>
Vehicle Equipment	22,991	193,097	-	216,088
Office Equipment	76,699	-	-	76,699
Computer Equipment	61,783	-	-	61,783
	<u>5,908,099</u>	<u>193,097</u>	<u>-</u>	<u>6,101,196</u>
Social Housing Fund				
Buildings and Equipment	1,150,570	-	-	1,150,570
	<u>\$ 7,058,669</u>	<u>\$ 193,097</u>	<u>\$ -</u>	<u>\$ 7,251,766</u>
	Accumulated Amortization	Amortization	Dispositions/ Transfers	Accumulated Amortization
Operating Fund				
Band Housing	\$ 745,284	\$ 59,743	\$ -	805,027
Multi Purpose Building and Longhouse	113,733	3,991	-	117,724
Portables	82,404	6,209	-	88,613
Head Start Building	2,516	1,599	-	4,115
Drainage Improvements	235,313	13,888	-	249,201
Water Mains and Road Upgrades	241,015	28,772	-	269,787
Infrastructure	245,805	19,367	-	265,172
Sewer Systems	251,554	10,820	-	262,374
Foreshore Project	77,779	3,600	-	81,379
General Equipment	107,714	5,118	-	112,833
Vehicle Equipment	20,917	30,037	-	50,954
Office Equipment	75,910	895	-	76,805
Computer Equipment	50,467	6,223	-	56,690
	<u>2,250,411</u>	<u>190,263</u>	<u>-</u>	<u>2,440,673</u>
Social Housing Fund				
Buildings and Equipment	603,939	27,332	-	631,271
	<u>\$ 2,854,350</u>	<u>217,595</u>	<u>\$ -</u>	<u>\$ 3,071,944</u>
Net Book Value	<u>\$ 4,204,319</u>			<u>\$ 4,179,822</u>

TSEYCUM FIRST NATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2020

10. TANGIBLE CAPITAL ASSETS cont'd

Interest included in cost of additions in the year ended March 31, 2020 totalled \$nil (2019 - \$nil). All tangible capital assets were amortized in the year.

11. EXPENDITURES BY OBJECT

	Budget	2020	2019
Operating fund			
Advertising and donations	\$ -	\$ 328	\$ 1,280
Bad Debt Expenses	-	24,598	58,152
Basic needs	326,206	317,621	248,099
Bank charges and interest	-	11,799	12,564
Contract - general	189,748	1,165,631	831,672
Equipment lease and repairs	-	5,040	4,032
Honoraria	91,440	128,511	255,422
Insurance, licenses & dues	-	40,500	108,922
Materials and supplies	23,342	349,480	206,255
Meetings	-	-	939
Mortgage interest	-	12,716	12,680
Office	-	26,013	12,490
Professional fees	37,823	225,170	71,067
Programs	-	78,663	27,421
Repairs and maintenance	46,000	6,591	68,321
Training	3,949	12,927	11,160
Travel	2,450	73,632	66,038
Telephone and utilities	37,900	58,326	48,874
		610,938	
Wages and benefits	459,877	-	585,583
INAC Funding Recoveries		-	-
Cost allocations		39,601	34,034
	<u>\$ 1,218,735</u>	<u>\$ 3,108,883</u>	<u>\$ 2,665,006</u>

TSEY CUM FIRST NATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2020

11. EXPENDITURES BY OBJECT Cont'd

	Budget	2020	2019
Social Housing			
Administration	\$ -	\$ 4,800	\$ 4,800
Insurance	-	4,623	4,623
Mortgage payments	-	48,125	21,096
Professional fees	-	1,500	1,500
Replacement Reserve	-	7,000	7,000
Travel	-	-	514
Utilities	-	19,057	19,057
Cost allocations	-	(44,829)	(14,939)
	<u>\$ -</u>	<u>\$ 40,276</u>	<u>\$ 43,651</u>

12. BANK INDEBTEDNESS

	2020	2019
RBC overdraft on chequing accounts	\$ -	\$ 77,999
RBC line of credit	-	53,919
	<u>\$ -</u>	<u>\$ 131,918</u>

13. RESTRICTED EQUITY IN FINANCIAL ASSETS

Certain program surpluses are restricted as to their use. They may be committed to the continuation of the particular program, subject to recovery by the applicable funding agency, or generally accessible for limited purposes only and not available for use in general operations.

14. DEFICIT RECOVERY AND GOING CONCERN CONSIDERATIONS

The First Nation is economically dependent on the Department of Indigenous and Northern Affairs Canada (INAC). The funding to the First Nation is expected to last in the foreseeable future, however, if funding is lost, the First Nation could not continue operations.

TSEY CUM FIRST NATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2020

15. RELATED PARTIES

At year end, payroll advances, rental payments owed and loans to Elected Officials of the First Nation totaled \$22,360 (2018 - \$25,561).

The First Nation has guaranteed three members' mortgages for 3 homes built on the reserve in prior years. The balances in the three mortgages at March 31, 2020 are \$ 26,345; \$ 59,710 and \$ 39,094 (2019 - \$132,785). Should any of the members default on their loan, the title to the home would revert to the First Nation. Two of the homes were appraised at \$298,000 and \$285,000 respectively at March 31, 2007.

16. COMPARATIVE FIGURES

The comparative balances have been reclassified where necessary to the current financial statement format.

17. FINANCIAL INSTRUMENTS

The First Nation's financial instruments consist of cash, accounts receivable, accounts payable and accrued liabilities. It is the First Nation Management's opinion that the First Nation is not exposed to significant interest rate, credit, or currency risk arising from these financial instruments.

Held for trading

Any financial instrument whose fair value can be reliably measured may be designated as held for trading on initial recognition of adoption of CICA (PSAB) 3450 Financial Instruments - Recognition and Measurement, even if that instrument would otherwise satisfy the definition of held for trading. The First Nation has classified the following assets and liabilities as held for trading: cash and term deposits.

The First Nation's held for trading instruments are initially recognized at their fair value. Any gain/loss arising as a result of the difference between the carrying amount and their fair value is recognized in net income. Fair value is approximated by the instrument's initial cost in a transaction between unrelated parties. Transactions to purchase or sell these items are not recorded on the settlement date. Held for trading financial instruments are subsequently measured at their fair value. Net gains and losses arising from changes in fair value are recognized immediately in income.

Loans and receivables

The First Nation has classified the following financial assets as loans and receivables: accounts receivable. The assets are initially recognized at their fair value. Fair value is approximated by the instrument's initial cost in a transaction between unrelated parties. Transactions to purchase or sell items are recorded on the settlement date. Total interest income, calculated using the effective interest rate method, is recognized in total income.

TSEY CUM FIRST NATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2020

Other financial liabilities

The First Nation has classified the following financial liabilities as other financial liabilities: accounts payable. These liabilities are initially recognized at their fair value. Fair value is approximated by the instrument's initial cost in a transaction between unrelated parties. Transactions to purchase or sell these items are recorded on the settlement date. Total interest expense (if any) is calculated using the effective interest rate method and would be recognized in net income.

18. BUDGET FIGURES

The budget figures were compiled from information provided by the management of the First Nation and were neither audited nor reviewed.

19. CONTINGENT LIABILITIES

The First Nation has been named in a lawsuit subsequent to the year end, but the outcome of the lawsuit is undeterminable at this time.

20. SUBSEQUENT EVENT

In March 2020, the COVID-19 outbreak has caused governments worldwide to enact emergency measures to combat the spread of the virus. These measures, which include the implementation of self-imposed quarantine periods, suspension of in-classroom learning and workshops and social distancing measures, could have a significant impact on the services offered to the First Nation as well as many other businesses worldwide. At this time, it is not possible to reliably estimate the length and severity of the impact the COVID-19 outbreak may have on the First Nation's financial results for the remainder of 2020 and beyond.

TSEY CUM FIRST NATION
SOCIAL HOUSING FUND STATEMENT OF FINANCIAL POSITION
(Schedule 1)

FOR THE YEAR ENDED MARCH 31, 2020

	2020	2019
Financial Assets		
Cash and cash equivalents	\$ 8,356	\$ 8,606
Accounts receivable – tenants (Note 4)	39,793	36,004
Due from operating fund	<u>29,144</u>	<u>37,608</u>
	<u>77,293</u>	<u>82,218</u>
Liabilities		
Accrued interest	628	1,358
Long term debt	<u>385,041</u>	<u>418,070</u>
	<u>385,669</u>	<u>419,428</u>
Net Debt (Schedule 3)	<u>(308,376)</u>	<u>(337,210)</u>
Non-Financial Assets		
Tangible capital assets (Note 1 & 10)	<u>519,300</u>	<u>546,632</u>
Accumulated Surplus (Schedule 2)	<u>\$ 210,924</u>	<u>\$ 209,422</u>

TSEYCUM FIRST NATION
SOCIAL HOUSING FUND STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS
(Schedule 2)
FOR THE YEAR ENDED MARCH 31, 2020

	2020	2019
REVENUE		
Phase II <i>(Schedule 6)</i>	\$ 73,910	\$ 68,143
	<u>73,910</u>	<u>68,143</u>
EXPENSES		
Phase II <i>(Schedule 6)</i>	85,105	58,590
Asset additions	-	(2,791)
Reduction of mortgage	(33,029)	(12,148)
Amortization <i>(Note 10)</i>	<u>27,332</u>	<u>28,697</u>
	<u>79,408</u>	<u>72,348</u>
Annual Surplus/(Deficit)	(5,498)	(4,205)
SURPLUS, beginning of year	209,422	206,615
Net replacement reserve transactions	7,000	7,012
ACCUMULATED SURPLUS/(DEFICIT), end of year	<u>\$ 210,924</u>	<u>\$ 209,422</u>

TSEYCUM FIRST NATION
SOCIAL HOUSING FUND STATEMENT OF CHANGE IN NET DEBT
(Schedule 3)

FOR THE YEAR ENDED MARCH 31, 2020

	2020	2019
Annual Deficit – Schedule 2	\$ (5,498)	\$ (4,205)
Acquisition of tangible capital assets	-	(2,791)
Amortization of tangible capital assets	27,332	28,697
Interest earned	-	11
Contributions to	<u>7,000</u>	<u>7,000</u>
(Increase)/Decrease in net debt	28,834	28,712
Net debt, beginning of year	<u>(337,210)</u>	<u>(365,922)</u>
Net debt, end of year – Schedule 1	<u>\$ (308,376)</u>	<u>\$ (337,210)</u>

TSEY CUM FIRST NATION
SOCIAL HOUSING FUND STATEMENT OF CASH FLOWS
(Schedule 4)

FOR THE YEAR ENDED MARCH 31, 2020

	2020	2019
Operating Transactions		
Annual Deficit – Schedule 2	\$ (5,498)	\$ (4,205)
Non-cash items included in annual surplus/(deficit)		
Amortization of tangible capital assets	<u>27,332</u>	<u>28,697</u>
	21,834	24,492
 Change in non-cash working capital balances		
Accounts receivable	(3,789)	-
Accounts payable and accrued liabilities	(730)	-
Due to operating fund	<u>8,464</u>	<u>(20,353)</u>
Cash provided by operating transactions	<u>25,779</u>	<u>4,139</u>
 Financing Transactions		
Repayment of long term debt	(33,029)	(12,148)
Acquisition of Assets	-	(2,791)
Investment income on reserve account	-	11
Contributions from operations	7,000	7,000
	<u>(26,029)</u>	<u>(7,928)</u>
 Increase/(decrease) in cash and cash equivalents	(250)	(3,789)
 Cash and cash equivalents, beginning of year	<u>8,606</u>	<u>12,395</u>
 Cash and cash equivalents, end of year	<u>\$ 8,356</u>	<u>\$ 8,606</u>
 Represented by:		
Cash	<u>\$ 8,356</u>	<u>\$ 8,606</u>

TSEYCUM FIRST NATION
SCHEDULE OF PROGRAM OPERATIONS – CMHC PHASE II
(Schedule 5)

FOR THE YEAR ENDED MARCH 31, 2020

	2020		2019
	Budget	Actual	Actual
REVENUE			
CMHC subsidy	\$ -	\$ 33,951	\$ 31,483
Tenants – CMHC	-	39,959	36,660
	<u>-</u>	<u>73,910</u>	<u>68,143</u>
EXPENSES			
Administration	-	4,800	4,800
Insurance	-	4,623	4,623
Mortgage	-	48,125	21,096
Professional fees	-	1,500	1,500
Replacement reserve	-	7,000	7,000
Travel	-	-	514
Utilities	-	19,057	19,057
	<u>-</u>	<u>85,105</u>	<u>58,590</u>
NET REVENUE/(EXPENSES)	<u>\$ -</u>	<u>\$ (11,195)</u>	<u>\$ 9,553</u>