

**?ESDILAGH FIRST NATION
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2019**

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FOR THE YEAR ENDED MARCH 31, 2019**

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? ESDILAGH FIRST NATION

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MANAGEMENT'S RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The accompanying consolidated financial statements of ?Esdilagh First 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.

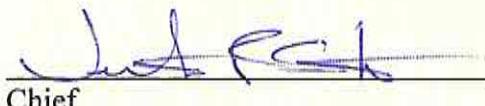
Management is responsible for the integrity and objectivity of these statements and for implementing and maintaining a system of internal control to provide reasonable assurance that reliable financial information is produced.

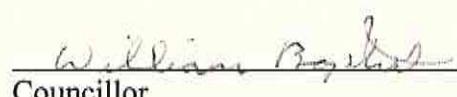
The Chief and Council are responsible for ensuring that management fulfils its responsibilities for financial reporting and internal control and are ultimately responsible for reviewing and approving the consolidated financial statements.

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 auditors, 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 the financial management of ?Esdilagh First Nation and meet when required.

On behalf of ?Esdilagh First Nation:


Chief


Councillor


Councillor


Councillor

INDEPENDENT AUDITOR'S REPORT

To the Membership of ?Esdilagh First Nation:

Qualified Opinion

We have audited the accompanying consolidated financial statements of ?Esdilagh First Nation, which comprise the consolidated statement of financial position as at March 31, 2019, the consolidated statements of operations and 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, except for the possible effects of the matters described in the *Basis for Qualified Opinion* section of our report, these consolidated financial statements present fairly, in all material respects, the consolidated financial position of ?Esdilagh First Nation as at March 31, 2019 and the results of its consolidated operations, changes in its consolidated net assets and its consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards (PSAS).

Basis for Qualified Opinion

?Esdilagh First Nation's accompanying consolidated financial statements do not include an approved budget as one was not prepared by the Nation's administration. The Canadian public sector accounting standards require that an approved budget be presented to allow users of the financial statements to compare actual results with those planned in the budget.

Financial information for Esdilagh Development Corporation has been recorded based on management's internal financial statements. Consequently, we were not able to determine whether any adjustments might be necessary to recognize ?Esdilagh First Nation's proportionate share of income (loss), return of capital, and the carrying value of the investment.

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 ?Esdilagh First Nation in accordance with 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 qualified 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 PSAS, 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 ?Esdilagh First Nation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate or to cease operations, or has no realistic alternative but to do so.

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

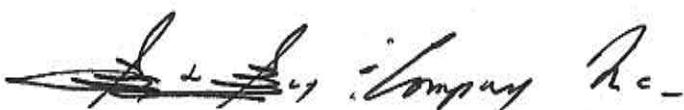
Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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 ?Esdilagh 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 ?Esdilagh 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 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 ?Esdilagh First Nation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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



Chartered Professional Accountants

June 9, 2020

Prince George, British Columbia

?ESDILAGH FIRST NATION
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2019

	2019	(Note 15) 2018
FINANCIAL ASSETS		
Cash	\$ 595,535	\$ 725,972
Accounts receivable (Note 2)	237,105	211,721
Investment in government business entity (Note 3)	85,861	134,752
Ottawa trust funds (Note 4)	<u>206,985</u>	201,835
	<u>1,125,486</u>	1,274,280
LIABILITIES		
Accounts payable and accrued liabilities (Note 5)	540,701	594,636
Deferred revenue (Note 6)	<u>463,186</u>	433,641
	<u>1,003,887</u>	1,028,277
NET FINANCIAL ASSETS	<u>121,599</u>	246,003
NON-FINANCIAL ASSETS		
Tangible capital assets (Note 7)	5,144,186	4,057,762
Prepaid expenditure	<u>26,783</u>	23,681
	<u>5,170,969</u>	4,081,443
ACCUMULATED SURPLUS	<u>\$ 5,292,568</u>	\$ 4,327,446
CONTINGENT LIABILITIES (Note 8)		

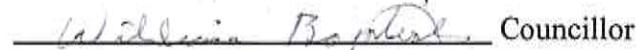
Approved on behalf of ?Esdilagh First Nation:



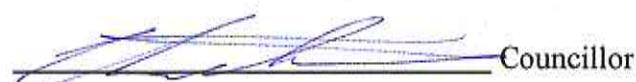
Chief



Councillor



Councillor



Councillor

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

?ESDILAGH FIRST NATION
CONSOLIDATED STATEMENT OF OPERATIONS
FOR THE YEAR ENDED MARCH 31, 2019

	2019	(Note 15) 2018
REVENUE		
Indigenous and Northern Affairs Canada	\$ 1,092,485	\$ 1,285,725
First Nations Health Authority	364,625	316,262
Canada Mortgage and Housing Corporation	-	216,242
Province of British Columbia	99,882	182,670
Cariboo Chilcotin Aboriginal Training Employment Centre	30,790	14,940
First Nations Education Steering Committee	6,677	2,602
Tsilhqot'in National Government	502,195	445,447
Interest, rent and other	335,818	374,223
Own source	1,124,057	271,476
Income from investment in government business entity	-	9,269
Administration fees	135,813	27,712
Ottawa trust funds	5,150	4,843
Gain on disposal of tangible capital assets	6,446	-
(Increase) decrease in deferred revenue	<u>(29,545)</u>	<u>276,435</u>
	<u>3,674,393</u>	<u>3,427,846</u>
EXPENDITURE		
Economic development	732,692	457,335
Own source	373,813	532,842
Education	156,482	130,163
Government development and administration	675,158	612,710
Health services	286,050	414,352
Housing	15,275	7,275
Public works operations and maintenance	120,331	101,715
Social and community services	129,084	104,559
Loss from investment in government business entity	48,891	-
Interest	5,283	6,336
Amortization	<u>166,212</u>	<u>124,747</u>
	<u>2,709,271</u>	<u>2,492,034</u>
ANNUAL SURPLUS	965,122	935,812
ACCUMULATED SURPLUS, BEGINNING OF YEAR	<u>4,327,446</u>	<u>3,391,634</u>
ACCUMULATED SURPLUS, END OF YEAR	<u>\$ 5,292,568</u>	<u>\$ 4,327,446</u>

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

?ESDILAGH FIRST NATION
CONSOLIDATED STATEMENT OF CHANGES IN NET FINANCIAL ASSETS
FOR THE YEAR ENDED MARCH 31, 2019

	2019	(Note 15) 2018
Annual surplus	<u>\$ 965,122</u>	\$ 935,812
Acquisition of tangible capital assets	(1,267,361)	(1,329,026)
Amortization	166,212	124,747
Proceeds on disposal of tangible capital assets	21,171	-
(Gain) loss on disposal of tangible capital assets	<u>(6,446)</u>	-
	<u>(1,086,424)</u>	(1,204,279)
Acquisition of prepaid expenditure	<u>(3,102)</u>	(410)
DECREASE IN NET FINANCIAL ASSETS	(124,404)	(268,877)
NET FINANCIAL ASSETS, BEGINNING OF YEAR	<u>246,003</u>	514,880
NET FINANCIAL ASSETS, END OF YEAR	<u>\$ 121,599</u>	\$ 246,003

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

**?ESDILAGH FIRST NATION
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED MARCH 31, 2019**

	2019	2018	(Note 15)
OPERATING TRANSACTIONS			
Annual surplus	\$ 965,122	\$ 935,812	
Items not involving cash			
Amortization	166,212	124,747	
(Gain) loss on disposal of tangible capital assets	(6,446)	-	
Ottawa trust funds	(5,150)	(4,843)	
Loss (income) from investment in government business entity	<u>48,891</u>	<u>(9,269)</u>	
	1,168,629	1,046,447	
Cash provided by (used in) operating activities			
Accounts receivable	(25,384)	(160,524)	
Prepaid expenditure	(3,102)	(410)	
Accounts payable and accrued liabilities	(53,935)	304,673	
Deferred revenue	<u>29,545</u>	<u>(276,435)</u>	
	<u>1,115,753</u>	<u>913,751</u>	
CAPITAL TRANSACTIONS			
Purchase of tangible capital assets	(1,267,361)	(1,329,026)	
Proceeds on disposal of tangible capital assets	<u>21,171</u>	<u>-</u>	
	<u>(1,246,190)</u>	<u>(1,329,026)</u>	
FINANCING TRANSACTIONS			
Repayment of long-term debt	-	(24,375)	
Advances to government business entity	<u>-</u>	<u>(117,112)</u>	
	<u>-</u>	<u>(141,487)</u>	
DECREASE DURING YEAR	(130,437)	(556,762)	
CASH, BEGINNING OF YEAR	725,972	1,282,734	
CASH, END OF YEAR	\$ 595,535	\$ 725,972	

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

?ESDILAGH FIRST NATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2019

1. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES

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 ?Esdilagh First Nation reporting entity includes the ?Esdilagh First Nation government and all related entities which are either owned or controlled by the ?Esdilagh First Nation.

Esdilagh Development Corporation, wholly-owned by ?Esdilagh First Nation and is not dependent on the Nation for their continuing operations, meets the definition of a government business enterprise and is, therefore, accounted for by the modified equity method of accounting. Under the modified equity method, only ?Esdilagh First Nation's investment in the corporation and their share of the corporation's net income and other changes in equity are recorded. No adjustments are made for accounting policies of the corporation that are different from those of ?Esdilagh First Nation.

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.

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	20%-30%
Buildings and infrastructure	2%-20%
Computer equipment	55%
Heavy duty equipment	20%
Office equipment	20%
Solid waste transfer site	20%
Water treatment system	4%

?ESDILAGH FIRST NATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2019

1. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES, continued

Tangible Capital Assets, continued

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.

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 consolidated 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.

?ESDILAGH FIRST NATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2019

1. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES, continued

Measurement Uncertainty

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

2. ACCOUNTS RECEIVABLE

	2019	2018
Government		
Indigenous and Northern Affairs Canada	\$ 3,042	\$ -
Canada Revenue Agency - GST	<u>59,790</u>	43,705
Other	<u>1,919</u>	22,830
	64,751	66,535
Trade		
?Esdilagh First Nation members	<u>146,960</u>	113,913
	<u>25,394</u>	31,273
	<u>\$ 237,105</u>	<u>\$ 211,721</u>

3. INVESTMENT IN GOVERNMENT BUSINESS ENTITY (Appendix A)

	2019	2018
Esdilagh Development Corporation		
Shares	\$ 100	\$ 100
Advances to	<u>134,652</u>	125,383
(Deficit) equity	<u>(48,891)</u>	9,269
	<u>\$ 85,861</u>	<u>\$ 134,752</u>

Shares are held on behalf of the Nation's membership by specified Nation members under a trust agreement. Condensed financial information for the government business entity is presented in Appendix A to the consolidated financial statements.

?ESDILAGH FIRST NATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2019

4. OTTAWA TRUST FUNDS

	Revenue	Capital	Total 2019	Total 2018
Balance, beginning of year	\$ 174,752	\$ 27,083	\$ 201,835	\$ 196,992
Interest	4,630	-	4,630	4,374
B.C. Special	520	-	520	469
Balance, end of year	\$ 179,902	\$ 27,083	\$ 206,985	\$ 201,835

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”.

5. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2019	2018
Trade payables and accrued liabilities	\$ 334,819	\$ 372,778
Funding recoveries payable	189,914	189,914
Wages and benefits payable	12,912	25,118
WorkSafe BC	3,056	6,826
	\$ 540,701	\$ 594,636

6. DEFERRED REVENUE

	2019	2018
Indigenous and Northern Affairs Canada		
?Esdilagh Ice Rink and Ball Diamond -		
ICMS #9-00126367	\$ -	\$ 366,398
Sewer Upgrades CPMS #10416	463,186	-
	463,186	366,398
First Nations Health Authority		
Health Building		
	-	67,243
	\$ 463,186	\$ 433,641

The Nation has recorded the above surpluses as deferred revenue to be used in the completion of projects.

?ESDILAGH FIRST NATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2019

7. TANGIBLE CAPITAL ASSETS (Appendix B)

			2019	2018
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Automotive equipment	\$ 401,833	\$ 92,117	\$ 309,716	\$ 22,318
Buildings and infrastructure	4,155,924	606,409	3,549,515	2,689,387
Computer equipment	6,252	5,375	877	1,481
Heavy duty equipment	204,249	133,640	70,609	73,907
Office equipment	57,061	22,560	34,501	39,457
Solid waste transfer site	49,692	34,711	14,981	18,726
Water treatment system	<u>1,487,032</u>	<u>323,045</u>	<u>1,163,987</u>	<u>1,212,486</u>
	<u>\$ 6,362,043</u>	<u>\$ 1,217,857</u>	<u>\$ 5,144,186</u>	<u>\$ 4,057,762</u>

8. CONTINGENT LIABILITIES

?Esdilagh First 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.

In addition, in the normal course of its operations, ?Esdilagh First 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 consolidated financial statements.

9. RECONCILIATION OF INAC FUNDING AGREEMENT REVENUE

Pursuant to the Indigenous and Northern Affairs Canada Financial Reporting Requirements for the fiscal period 2018 - 2019, the following reconciliation has been prepared:

Recipient total as per 2018/2019 INAC funding confirmation	\$ 1,092,485
Variance	-----
INAC total as per consolidated statement of operations	<u>\$ 1,092,485</u>

?ESDILAGH FIRST NATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2019

10. GOVERNMENT TRANSFERS

	2019			2018		
	<u>Operating</u>	<u>Capital</u>	<u>Total</u>	<u>Operating</u>	<u>Capital</u>	<u>Total</u>
Federal government transfers:						
Indigenous and Northern Affairs Canada	\$ 596,427	\$ 496,058	\$ 1,092,485	\$ 554,284	\$ 731,441	\$ 1,285,725
Canada Mortgage and Housing	-	-	-	21,056	195,186	216,242
	596,427	496,058	1,092,485	575,340	926,627	1,501,967
Provincial Government transfers	99,882	-	99,882	182,670	-	182,670
First Nations Health Authority	364,625	-	364,625	316,262	-	316,262
	\$ 1,060,934	\$ 496,058	\$ 1,556,992	\$ 1,074,272	\$ 926,627	\$ 2,000,899

11. ECONOMIC DEPENDENCE

The Nation receives a major portion of its revenue pursuant to funding arrangements with Indigenous and Northern Affairs Canada and First Nations Health Authority. Any disruption in this funding would have a negative effect on the Nation's operations.

12. RISK MANAGEMENT

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 thus has not experienced any change in risk exposure.

?ESDILAGH FIRST NATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2019

13. SEGMENT DISCLOSURE

?Esdilagh First 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:

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

Own Source - provides support for all services areas to Nation members;

Education - provides elementary and secondary education instructional services and provides financial support to post-secondary students;

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;

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;

Government Business Entity - provides economic development opportunities for the benefit of Nation members;

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

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

**?ESDILAGH FIRST NATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2019**

14. SUBSEQUENT EVENTS

On July 15, 2019, Indigenous and Northern Affairs Canada (INAC) was dissolved and a new department was formally established, Indigenous Services Canada (ISC).

Beginning in December 2019 a worldwide pandemic, Covid-19, began in China and reached Canada in January 2020. The economy across Canada has been negatively impacted, however the First Nation has continued to operate and provide essential services to its membership. At this point, it is uncertain as to the extent of measures to be taken in response to the pandemic or the impact on the First Nation's operations.

15. COMPARATIVE FIGURES

Certain of the prior year's figures have been reclassified to conform to the current year's presentation.

**?ESDILAGH FIRST NATION
SEGMENT DISCLOSURE
FOR THE YEAR ENDED MARCH 31, 201**

	ECONOMIC DEVELOPMENT		OWN SOURCE		EDUCATION		GOVERNMENT DEVELOPMENT AND ADMINISTRATION			HEALTH SERVICES	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019
REVENUE											
Indigenous and Northern Affairs Canada	\$ -	\$ -	\$ 25,000	\$ 65,000	\$ 150,621	\$ 88,788	\$ 210,111	\$ 164,247	\$ -	\$ -	\$ 364,625
First Nations Health Authority	-	-	-	-	-	-	-	-	-	-	316,262
Canada Mortgage and Housing Corporation	-	-	-	-	-	-	-	-	-	-	-
Province of British Columbia	45,000	27,670	10,000	25,000	-	-	44,882	-	-	-	-
Cariboo Chilcotin Aboriginal Training Employment Centre	-	-	-	-	30,790	14,940	-	-	-	-	-
First Nations Education Steering Committee	-	-	-	-	6,677	2,602	-	-	-	-	-
Tsilhqot'in National Government	379,346	404,182	46,009	40,765	-	-	4,840	500	12,000	-	-
Income from investment in government business entity	-	-	-	-	-	-	-	-	-	-	-
Management and administration	-	-	16,016	-	-	-	119,797	27,712	-	-	-
Own Source	1,066,503	118,129	9,677	153,347	-	-	47,877	-	-	-	-
Interest, rent and other	35,310	100,099	165,606	170,000	-	-	26,150	96,924	-	-	7,200
Ottawa Trust Fund	-	-	-	-	-	-	-	-	-	-	-
Gain on disposal of tangible capital assets	4,807	-	-	-	-	-	1,639	-	-	-	-
Change in deferred revenue	-	-	-	-	-	-	-	145,668	-	-	194,719
TOTAL REVENUE	1,530,966	650,080	272,308	454,112	188,088	106,330	455,296	435,051	376,625	518,181	
EXPENDITURE											
Activities	861	21,971	33,250	40,251	-	4,427	6,875	65,492	7,644	46,297	
Administration	62,690	250	16,516	15,500	7,144	-	2,592	-	15,584	13,376	
Amortization and interest	-	152	-	325	-	-	5,283	5,859	-	-	-
Capital purchases	346,690	22,021	15,000	-	-	-	3,669	34,892	-	2,500	
Consulting and contract services	96,233	25,867	109,385	175,517	22,174	-	158,109	127,276	45,200	160,798	
Honoraria	45,420	65,853	5,387	30,750	-	300	48,499	52,181	788	17,398	
Insurance, fees and dues	35,404	30,936	(6,890)	9,713	-	-	51,337	4,588	-	8,002	
Office	6,337	7,624	4,370	4,646	-	137	13,466	12,859	5,255	5,988	
Professional fees	500	26,119	34,293	2,860	-	-	35,757	35,744	-	-	-
Repairs and maintenance	20,712	24,249	5,060	8,218	-	-	4,481	3,522	3,499	7,496	
Supplies	69,439	43,858	11,663	24,020	4,237	4,949	58,183	65,794	24,972	35,971	
Telephone and utilities	-	1,347	2,457	3,163	-	31	14,834	17,518	12,124	15,086	
Travel and accommodations	38,806	36,603	35,292	69,800	4,689	8,815	79,003	47,400	41,897	84,577	
Wages and benefits	320,974	155,456	104,788	144,418	34,234	73,447	149,123	147,639	116,908	91,049	
Workshops and tuition	3,307	3,335	2,716	1,786	-	959	7,440	4,132	1,460	6,306	
Other	32,009	13,867	15,526	2,200	84,004	37,098	45,459	28,565	10,719	8,856	
Loss from investment in government business entity	-	-	-	-	-	-	-	-	-	-	-
Loss on disposal of tangible capital assets	-	-	-	-	-	-	-	-	-	-	-
TOTAL EXPENDITURE	1,079,382	479,508	388,813	533,167	156,482	130,163	684,110	653,461	286,050	503,690	
EXCESS REVENUE OVER EXPENDITURE											
(EXPENDITURE OVER REVENUE)	\$ 451,584	\$ 170,572	\$ (116,505)	\$ (79,055)	\$ 31,606	\$ (23,833)	\$ (228,814)	\$ (218,410)	\$ 90,575	\$ 14,491	

?ESDILAGH FIRST NATION
SEGMENT DISCLOSURE
FOR THE YEAR ENDED MARCH 31, 2019

	HOUSING		PUBLIC WORKS		SOCIAL AND COMMUNITY SERVICES		GOVERNMENT BUSINESS ENTITY AND OTTAWA TRUST FUNDS			
	OPERATIONS AND MAINTENANCE		2019		2018		2019		2018	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
REVENUE										
Indigenous and Northern Affairs Canada	\$ -	\$ -	\$ 117,184	\$ 129,695	\$ 93,511	\$ 106,554	\$ -	\$ -	\$ -	\$ -
First Nations Health Authority										
Canada Mortgage and Housing Corporation		21,056								
Province of British Columbia										
Cariboo Chilcotin Aboriginal Training Employment Centre								30,000		
First Nations Education Steering Committee										
Tslihqot'in National Government										
Income from investment in government business entity										
Management and administration										9,269
Own Source										
Interest, rent and other										
Ottawa Trust Fund							100,537			
Gain on disposal of tangible capital assets									5,150	4,843
Change in deferred revenue										
TOTAL REVENUE		21,056	117,184	129,695	194,048	136,554			5,150	14,112
EXPENDITURE										
Activities			14,042				2,263	8,520		
Administration							6,616	1,322		
Amortization and interest										
Capital purchases										
Consulting and contract services	771		14,307	17,266	21,254	5,750				
Honoraria				1,350	600	400				
Insurance, fees and dues										
Office			115	131		243				
Professional fees										
Repairs and maintenance			353	9,710						
Supplies	106		8,555	4,127	7,526	3,183				
Telephone and utilities			11,405	15,911						
Travel and accommodations			5,732	14,804	16,057	23,792				
Wages and benefits	14,398	7,275	51,791	29,083	48,737	27,658				
Workshops and tuition			5,200							
Other			8,831	9,333	26,031	33,691				
Loss from investment in government business entity									48,891	
Loss on disposal of tangible capital assets										
TOTAL EXPENDITURE		15,275	7,275	120,331	101,715	129,084	104,559		48,891	
EXCESS REVENUE OVER EXPENDITURE (EXPENDITURE OVER REVENUE)										
	\$ (15,275)	\$ 13,781	\$ (3,147)	\$ 27,980	\$ 64,964	\$ 31,995	\$ (43,741)		14,112	

ʔESDILAGH FIRST NATION
SEGMENT DISCLOSURE
FOR THE YEAR ENDED MARCH 31, 2019

	TANGIBLE CAPITAL ASSETS		TOTAL BEFORE ADJUSTMENTS		CONSOLIDATION ADJUSTMENTS		CONSOLIDATED TOTALS	
	2019	2018	2019	2018	2019	2018	2019	2018
REVENUE								
Indigenous and Northern Affairs Canada	\$ 496,058	\$ 731,441	\$ 1,092,485	\$ 1,285,725	\$ -	\$ -	\$ 1,092,485	\$ 1,285,725
First Nations Health Authority	-	-	364,625	316,262	-	-	364,625	316,262
Canada Mortgage and Housing Corporation	-	195,186	-	216,242	-	-	-	216,242
Province of British Columbia	-	100,000	99,882	182,670	-	-	99,882	182,670
Cariboo Chilcotin Aboriginal Training Employment Centre	-	-	30,790	14,940	-	-	30,790	14,940
First Nations Education Steering Committee	-	-	6,677	2,602	-	-	6,677	2,602
Tsilhqot'in National Government	60,000	-	502,195	445,447	-	-	502,195	445,447
Income from investment in government business entity	-	-	-	9,269	-	-	-	9,269
Management and administration	-	-	135,813	27,712	-	-	135,813	27,712
Own Source	-	-	1,124,057	271,476	-	-	1,124,057	271,476
Interest, rent and other	8,215	-	335,818	374,223	-	-	335,818	374,223
Ottawa Trust Fund	-	-	5,150	4,843	-	-	5,150	4,843
Gain on disposal of tangible capital assets	-	-	6,446	-	-	-	6,446	-
Change in deferred revenue	433,641	369,689	433,641	710,076	(463,186)	(433,641)	(29,545)	276,435
TOTAL REVENUE	997,914	1,396,316	4,137,579	3,861,487	(463,186)	(433,641)	3,674,393	3,427,846
EXPENDITURE								
Activities	-	-	64,935	186,958	-	-	64,935	186,958
Administration	-	-	111,142	30,448	-	-	111,142	30,448
Amortization and interest	-	-	5,283	6,336	166,212	124,747	171,495	131,083
Capital purchases	-	28,444	365,359	87,857	(365,359)	(84,357)	-	3,500
Consulting and contract services	695,326	830,304	1,162,759	1,342,768	(695,326)	(930,144)	467,433	412,624
Honoraria	16,000	4,255	116,694	172,487	(16,000)	(2,455)	100,694	170,032
Insurance, fees and dues	-	-	79,851	53,239	-	-	79,851	53,239
Office	77	4,461	29,620	36,089	(77)	(1,592)	29,543	34,497
Professional fees	-	-	70,550	64,723	-	-	70,550	64,723
Repairs and maintenance	620	125,101	34,725	178,296	(620)	(125,101)	34,105	53,195
Supplies	82,596	149,819	267,277	331,721	(82,596)	(175,534)	184,681	156,187
Telephone and utilities	-	2,517	40,820	55,573	-	(2,517)	40,820	53,056
Travel and accommodations	13,563	3,479	235,039	289,270	(13,563)	(3,140)	221,476	286,130
Wages and benefits	86,109	26,178	927,062	702,203	(86,109)	(4,184)	840,953	698,019
Workshops and tuition	-	8,215	20,123	24,733	-	-	20,123	24,733
Other	7,710	-	230,289	133,610	(7,710)	-	222,579	133,610
Loss from investment in government business entity	-	-	48,891	-	-	-	48,891	-
Loss on disposal of tangible capital assets	-	-	-	-	-	-	-	-
TOTAL EXPENDITURE	902,001	1,182,773	3,810,419	3,696,311	(1,101,148)	(1,204,277)	2,709,271	2,492,034
EXCESS REVENUE OVER EXPENDITURE (EXPENDITURE OVER REVENUE)								
	\$ 95,913	\$ 213,543	\$ 327,160	\$ 165,176	\$ 637,962	\$ 770,636	\$ 965,122	\$ 935,812

**?ESDILAGH FIRST NATION
GOVERNMENT BUSINESS ENTERPRISE
CONDENSED FINANCIAL INFORMATION
FOR THE YEAR ENDED MARCH 31, 2019**

APPENDIX A

	Esdilagh Development Corporation	Total	Total
	2019	2018	
Assets			
Financial Assets	\$ 85,861	\$ 44,643	
Tangible Capital Assets	-	-	
Other Assets	-	90,109	
Total Assets	\$ 85,861	\$ 134,752	
Liabilities and Shareholder's Equity			
Liabilities	\$ -	\$ -	
Debt	-	-	
(Deficit) Equity	(48,791)	9,369	
Total Liabilities and Equity	\$ (48,791)	\$ 9,369	
Related Party Loans			
	\$ 134,652	\$ 125,383	
?Esdilagh First Nation Advances	\$ 85,761	\$ 134,652	
Related Party Loans	\$ 85,761	\$ 134,652	
Revenue			
	\$ -	\$ 9,269	
Expenses	48,891	-	
Amortization	-	-	
Total Expenses	48,891	-	
Net Income	\$ (48,891)	\$ 9,269	
?Esdilagh First Nation Share	\$ (48,891)	\$ 9,269	

	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	\$ 57,643	\$ 346,690	\$ (2,500)	\$ 401,833	\$ 35,325	\$ 57,167	\$ (375)	\$ 92,117	\$ 309,716
Buildings and infrastructure	3,271,422	902,002	(17,500)	4,155,924	582,035	29,274	(4,900)	606,409	3,549,515
Computer equipment	6,252	-	-	6,252	4,771	604	-	5,375	877
Heavy duty equipment	189,249	15,000	-	204,249	115,342	18,298	-	133,640	70,609
Office equipment	53,392	3,669	-	57,061	13,935	8,625	-	22,560	34,501
Solid waste transfer site	49,692	-	-	49,692	30,966	3,745	-	34,711	14,981
Water treatment system	1,487,032	-	-	1,487,032	274,546	48,499	-	323,045	1,163,987
	\$ 5,114,682	\$ 1,267,361	\$ (20,000)	\$ 6,362,043	\$ 1,056,920	\$ 166,212	\$ (5,275)	\$ 1,217,857	\$ 5,144,186

	COST			ACCUMULATED AMORTIZATION			NET BOOK VALUE		
	Opening Balance	Additions	Disposals	Balance End of Year	Opening Balance	Amortization	Disposals	Balance End of Year	2018
Automotive equipment	\$ 55,143	\$ 2,500	\$ -	\$ 57,643	\$ 27,894	\$ 7,431	\$ -	\$ 35,325	\$ 22,318
Buildings and infrastructure	2,001,810	1,269,612	\$ -	3,271,422	550,820	31,215	-	582,035	2,689,387
Computer equipment	4,394	1,858	-	6,252	3,060	1,711	-	4,771	1,481
Heavy duty equipment	167,228	22,021	-	189,249	96,017	19,325	-	115,342	73,907
Office equipment	20,357	33,035	-	53,392	4,071	9,864	-	13,935	39,457
Solid waste transfer site	49,692	-	-	49,692	26,285	4,681	-	30,966	18,726
Water treatment system	1,487,032	-	-	1,487,032	224,026	50,520	-	274,546	1,212,486
	\$ 3,785,656	\$ 1,329,026	\$ -	\$ 5,114,682	\$ 932,173	\$ 124,747	\$ -	\$ 1,056,920	\$ 4,057,762