

**?ESDILAGH FIRST 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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? ESDILAGH FIRST NATION

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MANAGEMENT'S RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

To the Members of ?Esdilahg First Nation:

The accompanying consolidated financial statements of ?Esdilahg First Nation are the responsibility of management and have been approved by the Chief and Council.

Management is responsible for the preparation and presentation of the accompanying consolidated financial statements, including responsibility for significant accounting judgments and estimates in accordance with Canadian public sector accounting standards. This responsibility includes selecting appropriate accounting principles and methods, and making decisions affecting the measurement of transactions in which objective judgment is required.

In discharging its responsibilities for the integrity and fairness of the consolidated financial statements, management designs and maintains the necessary accounting systems and related internal controls to provide reasonable assurance that transactions are authorized, assets are safeguarded and financial records are properly maintained to provide reliable information for the preparation of consolidated financial statements.

The Chief and Council are responsible for overseeing management in the performance of its financial reporting responsibilities, and for approving the consolidated financial statements. The Council fulfils these responsibilities by reviewing the financial information prepared by management and discussing relevant matters with management and external auditors. The Chief and Council are also responsible for recommending the appointment of the Band's external auditors.

Brent Bursey & Company Inc. is appointed by Chief and Council to audit the consolidated financial statements and report directly to them; their report follows. The external auditors have full and free access to, and meet periodically with both the Council and management to discuss their audit findings.

On behalf of ?Esdilahg First Nation:


Chief


Councillor


Councillor

INDEPENDENT AUDITOR'S REPORT

To the Members of ?Esdilagh First Nation:

Qualified Opinion

We have audited the consolidated financial statements of ?Esdilagh First Nation, which comprise the consolidated statement of financial position as at March 31, 2020, 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, except for the possible effects of the matters described in the basis for Qualified Opinion section of our report, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of ?Esdilagh First 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 of 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 not been provided by ?Esdilagh First Nation or Esdilagh Development Corporation. 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 the ?Esdilagh First Nation in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our 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 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 ?Esdilagh First 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 the ?Esdilagh First Nation's financial reporting process.

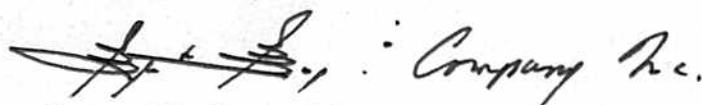
Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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 the ?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 the ?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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Band 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

May 17, 2021
Prince George, British Columbia

**?ESDILAGH FIRST NATION
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2020**

	2020	2019
FINANCIAL ASSETS		
Cash (Note 2)	\$ 155,764	\$ 595,535
Accounts receivable (Note 3)	138,755	237,105
Investment in government business entities (Note 4)	302,402	85,861
Ottawa trust funds (Note 5)	<u>210,848</u>	<u>206,985</u>
	<u>807,769</u>	<u>1,125,486</u>
LIABILITIES		
Accounts payable and accrued liabilities (Note 6)	562,121	540,701
Deferred revenue (Note 7)	-	463,186
Long-term debt (Note 8)	<u>175,350</u>	<u>-</u>
	<u>737,471</u>	<u>1,003,887</u>
NET FINANCIAL ASSETS	<u>39,096</u>	<u>121,599</u>
NON-FINANCIAL ASSETS		
Tangible capital assets (Note 9)	5,893,265	5,144,186
Prepaid expenditure	<u>29,921</u>	<u>26,783</u>
	<u>5,923,186</u>	<u>5,170,969</u>
ACCUMULATED SURPLUS	<u>\$ 5,993,484</u>	<u>\$ 5,292,568</u>
CONTINGENT LIABILITIES (Note 10)		
SUBSEQUENT EVENT (Note 16)		

Approved on behalf of ?Esdilagh First Nation:

Druey Baptiste Chief

[Signature] Councillor

William Baptiste 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, 2020

	2020	2019
REVENUE		
Indigenous Services Canada	\$ 624,150	\$ 1,092,485
First Nations Health Authority	452,247	364,625
Canada Mortgage and Housing Corporation	12,349	-
Province of British Columbia	57,253	99,882
BC First Nations Gaming	292,888	-
Cariboo Chilcotin Aboriginal Training Employment Centre	21,744	30,790
First Nations Education Steering Committee	643	6,677
Tsilhqot'in National Government	1,041,039	502,195
Administration fees	138,620	135,813
Own source	349,183	1,124,057
Interest, rent and other	375,546	335,818
Ottawa trust funds	3,863	5,150
Gain on disposal of tangible capital assets	-	6,446
Decrease (increase) in deferred revenue	463,186	(29,545)
	<u>3,832,711</u>	<u>3,674,393</u>
EXPENDITURE		
Economic development	331,938	732,692
Own source	581,224	373,813
Education	160,676	156,482
Government development and administration	682,106	675,158
Health services	458,138	286,050
Housing	-	15,275
Public works operations and maintenance	164,802	120,331
Social and community services	444,952	129,084
Loss from investment in government business entity	-	48,891
Loss on disposal of tangible capital assets	17,919	-
Interest	11,139	5,283
Amortization	278,901	166,212
	<u>3,131,795</u>	<u>2,709,271</u>
ANNUAL SURPLUS	700,916	965,122
ACCUMULATED SURPLUS, BEGINNING OF YEAR	5,292,568	4,327,446
ACCUMULATED SURPLUS, END OF YEAR	\$ 5,993,484	\$ 5,292,568

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, 2020

	2020	2019
Annual surplus	\$ 700,916	\$ 965,122
Acquisition of tangible capital assets	(1,057,399)	(1,267,361)
Amortization	278,901	166,212
Proceeds on disposal of tangible capital assets	11,500	21,171
Loss (gain) on disposal of tangible capital assets	17,919	(6,446)
	(749,079)	(1,086,424)
Acquisition of prepaid expenditure	(3,138)	(3,102)
DECREASE IN NET FINANCIAL ASSETS	(51,301)	(124,404)
NET FINANCIAL ASSETS, BEGINNING OF YEAR	121,599	246,003
NET FINANCIAL ASSETS, END OF YEAR	\$ 70,298	\$ 121,599

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, 2020**

	2020	2019
OPERATING ACTIVITIES		
Annual surplus	\$ 700,916	\$ 965,122
Items not involving cash		
Amortization	278,901	166,212
Loss (gain) on disposal of tangible capital assets	17,919	(6,446)
Ottawa trust funds	(3,863)	(5,150)
Loss from investment in government business entity	-	48,891
	<u>993,873</u>	<u>1,168,629</u>
Cash provided by (used in) operating activities		
Accounts receivable	98,350	(25,384)
Prepaid expenditure	(3,138)	(3,102)
Accounts payable and accrued liabilities	21,420	(53,935)
Deferred revenue	(463,186)	29,545
	<u>647,319</u>	<u>1,115,753</u>
CAPITAL ACTIVITIES		
Purchase of tangible capital assets	(1,057,399)	(1,267,361)
Proceeds on disposal of tangible capital assets	11,500	21,171
	<u>(1,045,899)</u>	<u>(1,246,190)</u>
FINANCING ACTIVITY		
Repayment of long-term debt	<u>175,350</u>	-
INVESTING ACTIVITY		
Advances to government business entity	<u>(216,541)</u>	-
DECREASE DURING YEAR	(439,771)	(130,437)
CASH, BEGINNING OF YEAR	<u>595,535</u>	<u>725,972</u>
CASH, END OF YEAR	<u>\$ 155,764</u>	<u>\$ 595,535</u>

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, 2020

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.

BC First Nations Gaming Revenue Sharing Limited Partnership is accounted for at cost.

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, 2020

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, 2020

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. CASH

?Esdilagh First Nation has line of credit with TD Canada Trust for \$150,000 bearing interest at prime plus 2.75% per annum. As at March 31, 2020 the full \$150,000 was available.

3. ACCOUNTS RECEIVABLE

	2020	2019
Government		
Indigenous Services Canada	\$ 33,667	\$ 3,042
Canada Revenue Agency - Goods and services tax	27,379	59,790
Other	-	1,919
	<u>61,046</u>	<u>64,751</u>
Trade	46,155	146,960
?Esdilagh First Nation members	<u>31,554</u>	<u>25,394</u>
	<u>\$ 138,755</u>	<u>\$ 237,105</u>

?ESDILAGH FIRST NATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2020

4. INVESTMENT IN GOVERNMENT BUSINESS ENTITIES (Appendix A)

	2020	2019
Esdilagh Development Corporation		
Shares	\$ 100	\$ 100
Advances to	302,192	134,652
Equity (deficit)	<u>-</u>	<u>(48,891)</u>
	302,292	85,861
BC First Nations Gaming Revenue Sharing LP		
Shares	<u>110</u>	<u>-</u>
	<u>\$ 302,402</u>	<u>\$ 85,861</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.

5. OTTAWA TRUST FUNDS

	Revenue	Capital	Total 2020	Total 2019
Balance, beginning of year	\$ 179,902	\$ 27,083	\$ 206,985	\$ 201,835
Interest	3,333	-	3,333	4,630
B.C. Special	<u>530</u>	<u>-</u>	<u>530</u>	<u>520</u>
Balance, end of year	<u>\$ 183,765</u>	<u>\$ 27,083</u>	<u>\$ 210,848</u>	<u>\$ 206,985</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".

?ESDILAGH FIRST NATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2020

6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2020	2019
Trade payables and accrued liabilities	\$ 347,123	\$ 334,819
Funding recoveries payable	189,914	189,914
Wages and benefits payable	23,406	12,912
WorkSafe BC	1,678	3,056
	<u>\$ 562,121</u>	<u>\$ 540,701</u>

7. DEFERRED REVENUE

	2020	2019
Indigenous Services Canada Sewer Upgrades CPMS #10416	\$ -	\$ 463,186

The Nation has recorded the above surplus as deferred revenue to be used in the completion of ongoing project.

8. LONG-TERM DEBT

	2020	2019
Kubota Canada Ltd. Conditional sales contract payable in monthly instalments of \$1,887, non-interest bearing, secured by a specific equipment with a net book value of \$135,643, due to mature August 2025	\$ 113,039	\$ -
Tricor Lease & Finance Corp. Conditional sales contract payable in monthly instalments of \$1,132 including interest at 5.99%, secured by a specific equipment with a net book value of \$49,807, due to mature August 2024	<u>62,311</u>	-
	<u>\$ 175,350</u>	<u>\$ -</u>

?ESDILAGH FIRST NATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2020

8. LONG-TERM DEBT, continued

Principal payments due in each of the next five years are scheduled as follows:

2021	\$ 32,774
2022	33,398
2023	34,061
2024	34,764
2025	<u>40,353</u>
	<u>\$ 175,350</u>

9. TANGIBLE CAPITAL ASSETS (Appendix B)

			2020	2019
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Automotive equipment	\$ 419,350	\$ 167,520	\$ 251,831	\$ 309,716
Buildings and infrastructure	4,838,263	688,337	4,149,926	3,549,515
Computer equipment	8,501	6,475	2,026	877
Heavy duty equipment	512,464	179,995	332,469	70,609
Office equipment	57,061	29,460	27,601	34,501
Solid waste transfer site	49,692	37,708	11,984	14,981
Water treatment system	<u>1,487,032</u>	<u>369,604</u>	<u>1,117,428</u>	<u>1,163,987</u>
	<u>\$ 7,372,364</u>	<u>\$ 1,479,099</u>	<u>\$ 5,893,265</u>	<u>\$ 5,144,186</u>

10. 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.

?ESDILAGH FIRST NATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2020

11. RECONCILIATION OF ISC 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	\$ 624,150
Variance	<u>-</u>
ISC total as per consolidated statement of operations	<u>\$ 624,150</u>

12. 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	\$ 493,234	\$ 130,916	\$ 624,150	\$ 596,427	\$ 496,058	\$ 1,092,485
Canada Mortgage and Housing	-	12,349	12,349	-	-	-
	493,234	143,265	636,499	596,427	496,058	1,092,485
Provincial Government transfers	350,141	-	350,141	99,882	-	99,882
First Nations Health Authority	452,247	-	452,247	364,625	-	364,625
	<u>\$ 1,295,622</u>	<u>\$ 143,265</u>	<u>\$ 1,438,887</u>	<u>\$ 1,060,934</u>	<u>\$ 496,058</u>	<u>\$ 1,556,992</u>

13. ECONOMIC DEPENDENCE

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

?ESDILAGH FIRST NATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2020

14. 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.

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 Nation's 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 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 is expected to be no substantive change in the next fiscal period.

15. 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;

?ESDILAGH FIRST NATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2020

15. SEGMENT DISCLOSURE, continued

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 Entities - 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.

16. SUBSEQUENT EVENTS

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 Nation 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.

17. 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, 2020

	ECONOMIC DEVELOPMENT		OWN SOURCE		EDUCATION		GOVERNMENT DEVELOPMENT AND ADMINISTRATION		HEALTH SERVICES	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
REVENUE										
Indigenous Services Canada	\$ -	\$ -	\$ -	\$ 25,000	\$ 79,397	\$ 150,621	\$ 170,113	\$ 210,111	\$ -	\$ -
First Nations Health Authority	-	-	-	-	-	-	-	-	452,247	364,625
Canada Mortgage and Housing Corporation	-	-	-	-	-	-	-	-	-	-
Province of British Columbia	-	55,000	-	-	-	-	27,253	44,882	-	-
BC First Nations Gaming	-	-	-	-	-	-	292,888	-	-	-
Cariboo Chilcotin Aboriginal Training Employment Centre	-	-	-	-	21,744	30,790	-	-	-	-
First Nations Education Steering Committee	-	-	-	-	643	6,677	-	-	-	-
Tsilhqot'in National Government	384,346	379,346	591,693	46,009	-	-	-	4,840	65,000	12,000
Income from investment in government business entity	-	-	-	-	-	-	-	-	-	-
Management and administration	-	-	22,250	16,016	-	-	116,370	119,797	-	-
Own Source	325,600	1,029,882	23,583	9,676	-	-	-	84,499	-	-
Interest, rent and other	(3,500)	7,500	3,012	193,416	-	-	12,422	26,150	-	-
Ottawa Trust Funds	-	-	-	-	-	-	-	-	-	-
Gain on disposal of tangible capital assets	-	-	-	4,807	-	-	-	1,639	-	-
Change in deferred revenue	-	-	-	-	-	-	-	-	-	-
TOTAL REVENUE	706,446	1,471,728	640,538	294,924	101,784	188,088	619,046	491,918	517,247	376,625
EXPENDITURE										
Activities	-	-	-	-	-	-	-	-	-	7,644
Administration	-	63,190	22,250	16,016	5,778	7,144	29,186	2,592	45,043	15,584
Amortization and interest	-	-	1,213	469	-	-	9,926	14,003	-	-
Capital purchases	143,500	346,690	170,715	15,000	-	-	2,249	3,669	58,596	-
Consulting and contract services	73,730	70,365	185,851	147,215	-	22,174	31,322	146,147	48,880	45,200
Honoraria	49,711	45,420	11,750	5,387	-	-	92,657	48,499	7,320	788
Insurance, fees and dues	5,123	35,404	7,097	(7,097)	373	-	40,085	51,337	14,666	-
Office	2,262	6,181	7,559	4,577	-	-	11,996	13,466	1,151	5,255
Professional fees	-	963	-	33,830	-	-	120,229	35,757	-	-
Repairs and maintenance	17,649	20,741	19,154	5,060	-	-	10,619	4,481	8,565	3,499
Supplies	7,209	61,094	48,364	19,856	7,626	4,237	63,080	58,183	14,568	24,972
Telephone and utilities	-	-	1,600	2,603	-	-	11,828	14,834	25,714	12,124
Travel and accommodations	17,000	42,631	46,320	42,565	4,676	4,689	83,133	79,003	71,517	41,897
Wages and benefits	146,835	319,446	224,371	106,316	24,193	34,234	117,916	149,123	197,405	116,908
Workshops and tuition	139	3,307	4,356	-	-	-	2,300	7,440	-	1,460
Other	12,280	24,361	2,552	48,567	118,030	84,004	67,755	43,614	23,309	10,719
Loss from investment in government business entity	-	-	-	-	-	-	-	-	-	-
Loss on disposal of tangible capital assets	17,919	-	-	-	-	-	-	-	-	-
TOTAL EXPENDITURE	493,357	1,039,793	753,152	440,364	160,676	156,482	694,281	672,148	516,734	286,050
EXCESS REVENUE OVER EXPENDITURE (EXPENDITURE OVER REVENUE)	\$ 213,089	\$ 431,935	\$ (112,614)	\$ (145,440)	\$ (58,892)	\$ 31,606	\$ (75,235)	\$ (180,230)	\$ 513	\$ 90,575

?ESDILAGH FIRST NATION
SEGMENT DISCLOSURE
FOR THE YEAR ENDED MARCH 31, 2020

	HOUSING		PUBLIC WORKS OPERATIONS AND MAINTENANCE		SOCIAL AND COMMUNITY SERVICES		GOVERNMENT BUSINESS ENTITY AND OTTAWA TRUST FUNDS	
	2020	2019	2020	2019	2020	2019	2020	2019
REVENUE								
Indigenous Services Canada	\$ -	\$ -	\$ 138,149	\$ 117,184	\$ 105,575	\$ 93,511	\$ -	\$ -
First Nations Health Authority	-	-	-	-	-	-	-	-
Canada Mortgage and Housing Corporation	-	-	-	-	-	-	-	-
Province of British Columbia	-	-	-	-	30,000	-	-	-
BC First Nations Gaming	-	-	-	-	-	-	-	-
Cariboo Chilcotin Aboriginal Training Employment Centre	-	-	-	-	-	-	-	-
First Nations Education Steering Committee	-	-	-	-	-	-	-	-
Tsilhqot'in National Government	-	-	-	-	-	-	-	-
Income from investment in government business entity	-	-	-	-	-	-	-	-
Management and administration	-	-	-	-	-	-	-	-
Own Source	-	-	-	-	-	-	-	-
Interest, rent and other	-	-	-	-	363,612	100,537	-	-
Ottawa Trust Funds	-	-	-	-	-	-	3,863	5,150
Gain on disposal of tangible capital assets	-	-	-	-	-	-	-	-
Change in deferred revenue	-	-	-	-	-	-	-	-
TOTAL REVENUE	-	-	138,149	117,184	499,187	194,048	3,863	5,150
EXPENDITURE								
Activities	-	-	-	14,042	-	2,263	-	-
Administration	-	-	-	-	36,361	6,616	-	-
Amortization and interest	-	-	-	-	-	-	-	-
Capital purchases	-	-	-	-	-	-	-	-
Consulting and contract services	-	771	6,403	14,307	161,545	21,254	-	-
Honoraria	-	-	2,910	-	6,250	600	-	-
Insurance, fees and dues	-	-	-	-	280	-	-	-
Office	-	-	393	115	-	-	-	-
Professional fees	-	-	-	-	-	-	-	-
Repairs and maintenance	-	-	10,698	353	1,662	-	-	-
Supplies	-	106	4,596	8,555	44,975	7,526	-	-
Telephone and utilities	-	-	22,157	11,405	558	-	-	-
Travel and accommodations	-	-	17,737	5,732	23,184	16,057	-	-
Wages and benefits	-	14,398	94,689	51,791	116,137	48,737	-	-
Workshops and tuition	-	-	-	5,200	-	-	-	-
Other	-	-	5,219	8,831	54,000	26,031	-	-
Loss from investment in government business entity	-	-	-	-	-	-	-	48,891
Loss on disposal of tangible capital assets	-	-	-	-	-	-	-	-
TOTAL EXPENDITURE	-	15,275	164,802	120,331	444,952	129,084	-	48,891
EXCESS REVENUE OVER EXPENDITURE (EXPENDITURE OVER REVENUE)	\$ -	\$ (15,275)	\$ (26,653)	\$ (3,147)	\$ 54,235	\$ 64,964	\$ 3,863	\$ (43,741)

?ESDILAGH FIRST NATION
SEGMENT DISCLOSURE
FOR THE YEAR ENDED MARCH 31, 2020

	TANGIBLE CAPITAL ASSETS		TOTAL BEFORE ADJUSTMENTS		CONSOLIDATION ADJUSTMENTS		CONSOLIDATED TOTALS	
	2020	2019	2020	2019	2020	2019	2020	2019
REVENUE								
Indigenous Services Canada	\$ 130,916	\$ 496,058	\$ 624,150	\$ 1,092,485	\$ -	\$ -	\$ 624,150	\$ 1,092,485
First Nations Health Authority	-	-	452,247	364,625	-	-	452,247	364,625
Canada Mortgage and Housing Corporation	12,349	-	12,349	-	-	-	12,349	-
Province of British Columbia	-	-	57,253	99,882	-	-	57,253	99,882
BC First Nations Gaming	-	-	292,888	-	-	-	292,888	-
Cariboo Chilcotin Aboriginal Training Employment Centre	-	-	21,744	30,790	-	-	21,744	30,790
First Nations Education Steering Committee	-	-	643	6,677	-	-	643	6,677
Tsilhqot'in National Government	-	60,000	1,041,039	502,195	-	-	1,041,039	502,195
Income from investment in government business entity	-	-	-	-	-	-	-	-
Management and administration	-	-	138,620	135,813	-	-	138,620	135,813
Own Source	-	-	349,183	1,124,057	-	-	349,183	1,124,057
Interest, rent and other	-	8,215	375,546	335,818	-	-	375,546	335,818
Ottawa Trust Funds	-	-	3,863	5,150	-	-	3,863	5,150
Gain on disposal of tangible capital assets	-	-	-	6,446	-	-	-	6,446
Change in deferred revenue	-	433,641	-	433,641	463,186	(463,186)	463,186	(29,545)
TOTAL REVENUE	143,265	997,914	3,369,525	4,137,579	463,186	(463,186)	3,832,711	3,674,393
EXPENDITURE								
Activities	-	-	-	23,949	-	-	-	23,949
Administration	-	-	138,618	111,142	-	-	138,618	111,142
Amortization and interest	-	-	11,139	14,472	278,589	166,212	289,728	180,684
Capital purchases	-	-	375,060	365,359	(375,060)	(365,359)	-	-
Consulting and contract services	567,485	695,326	1,075,216	1,162,759	(567,485)	(695,326)	507,731	467,433
Honoraria	-	16,000	170,598	116,694	-	(16,000)	170,598	100,694
Insurance, fees and dues	-	-	67,624	79,644	-	-	67,624	79,644
Office	-	77	23,361	29,671	-	(77)	23,361	29,594
Professional fees	-	-	120,229	70,550	-	-	120,229	70,550
Repairs and maintenance	5,846	620	74,193	34,754	(5,846)	(620)	68,347	34,134
Supplies	12,188	82,596	202,606	267,125	(12,188)	(82,596)	190,418	184,529
Telephone and utilities	-	-	61,857	40,966	-	-	61,857	40,966
Travel and accommodations	4,236	13,563	267,803	246,137	(4,236)	(13,563)	263,567	232,574
Wages and benefits	92,364	86,109	1,013,910	927,062	(92,364)	(86,109)	921,546	840,953
Workshops and tuition	-	-	6,795	17,407	-	-	6,795	17,407
Other	220	7,710	283,365	253,837	(220)	(7,710)	283,145	246,127
Loss from investment in government business entity	-	-	-	48,891	-	-	-	48,891
Loss on disposal of tangible capital assets	-	-	17,919	-	-	-	17,919	-
TOTAL EXPENDITURE	682,339	902,001	3,910,293	3,810,419	(778,810)	(1,101,148)	3,131,483	2,709,271
EXCESS REVENUE OVER EXPENDITURE								
(EXPENDITURE OVER REVENUE)	\$ (539,074)	\$ 95,913	\$ (540,768)	\$ 327,160	\$ 1,241,996	\$ 637,962	\$ 701,228	\$ 965,122

**?ESDILAGH FIRST NATION
GOVERNMENT BUSINESS ENTITY
CONDENSED FINANCIAL INFORMATION
FOR THE YEAR ENDED MARCH 31, 2020**

APPENDIX A

	Esdilagh Development Corporation	
	Total	Total
	2020	2019
Assets		
Financial Assets	\$ 302,292	\$ 85,861
Tangible Capital Assets	-	-
Other Assets	-	-
Total Assets	\$ 302,292	\$ 85,861
Liabilities and Shareholder's Equity		
Liabilities	\$ -	\$ -
Debt	-	-
Equity (Deficit)	-	(48,791)
Total Liabilities and Equity	\$ -	\$ (48,791)
Related Party Loans	\$ 302,292	\$ 134,652
?Esdilagh First Nation Advances	\$ 302,292	\$ 85,761
Related Party Loans	\$ 302,292	\$ 85,761
Revenue	\$ -	\$ -
Expenses	-	48,891
Amortization	-	-
Total Expenses	-	48,891
Net Income	\$ -	\$ (48,891)
?Esdilagh First Nation Share	\$ -	\$ (48,891)

ESDILAGH FIRST 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	\$ 401,833	\$ 64,597	\$ (47,079)	\$ 419,351	\$ 92,117	\$ 93,063	\$ (17,660)	\$ 167,520	\$ 251,831
Buildings and infrastructure	4,155,924	682,339	-	4,838,263	606,409	81,928	-	688,337	4,149,926
Computer equipment	6,252	2,249	-	8,501	5,375	1,100	-	6,475	2,026
Heavy duty equipment	204,249	308,215	-	512,464	133,640	46,355	-	179,995	332,469
Office equipment	57,061	-	-	57,061	22,560	6,900	-	29,460	27,601
Solid waste transfer site	49,692	-	-	49,692	34,711	2,997	-	37,708	11,984
Water treatment system	1,487,032	-	-	1,487,032	323,045	46,559	-	369,604	1,117,428
	<u>\$ 6,362,043</u>	<u>\$ 1,057,400</u>	<u>\$ (47,079)</u>	<u>\$ 7,372,364</u>	<u>\$ 1,217,857</u>	<u>\$ 278,902</u>	<u>\$ (17,660)</u>	<u>\$ 1,479,099</u>	<u>\$ 5,893,265</u>

	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
	<u>\$ 5,114,682</u>	<u>\$ 1,267,361</u>	<u>\$ (20,000)</u>	<u>\$ 6,362,043</u>	<u>\$ 1,056,920</u>	<u>\$ 166,212</u>	<u>\$ (5,275)</u>	<u>\$ 1,217,857</u>	<u>\$ 5,144,186</u>