

**Yunesit'in Government**  
**Consolidated Financial Statements**  
*March 31, 2020*

# Yunesit'in Government Contents

For the year ended March 31, 2020

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## **Management's Responsibility**

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To the Members of Yunesit'in Government:

The accompanying consolidated financial statements of Yunesit'in Government are the responsibility of management and have been approved by the Chief and Council.

Management is responsible for the preparation and fair 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 Yunesit'in Government Chief and Council are responsible for overseeing management in the performance of its financial reporting responsibilities, and for approving the consolidated financial statements. The Chief and 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 Government's external auditors.

MNP LLP is appointed by the Chief and Council on behalf of the Members 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 Chief and Council and management to discuss their audit findings.

August 18, 2020

Government Administrator

# Independent Auditor's Report

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To the Members of Yunesit'in Government:

## Opinion

We have audited the consolidated financial statements of Yunesit'in Government (the "Government"), which comprise the consolidated statement of financial position as at March 31, 2020, and the consolidated statements of operations, accumulated surplus, changes in net debt and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and accompanying schedules.

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

## Basis for Opinion

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

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of 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 Government's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Government or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Government'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 judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Government'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 Government's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Government 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 Government 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.

Prince George, British Columbia

August 18, 2020

*MNP LLP*

Chartered Professional Accountants



# Yunesit'in Government

## Consolidated Statement of Financial Position

As at March 31, 2020

	2020	2019
<b>Financial assets</b>		
Cash resources	-	304,442
Accounts receivable and accruals (Note 3)	1,436,556	938,708
Restricted cash (Note 4)	97,312	134,994
Portfolio investment (Note 5)	1	1
Funds held in trust (Note 6)	179,369	175,457
<b>Total financial assets</b>	<b>1,713,238</b>	<b>1,553,602</b>
<b>Liabilities</b>		
Bank indebtedness (Note 7)	969,496	-
Accounts payable and accruals (Note 8)	379,087	598,305
Deferred revenue (Note 9)	592,743	983,409
Demand loan (Note 10)	1,165,228	854,525
Debt (Note 11)	110,911	89,426
Advances from related parties (Note 12)	183,698	-
<b>Total liabilities</b>	<b>3,401,163</b>	<b>2,525,665</b>
<b>Net debt</b>	<b>(1,687,925)</b>	<b>(972,063)</b>
<b>Contingencies (Note 13)</b>		
<b>Guarantee (Note 14)</b>		
<b>Commitments (Note 15)</b>		
<b>Subsequent events (Note 16)</b>		
<b>Non-financial assets</b>		
Tangible capital assets (Schedule 1)	16,557,211	15,658,262
Prepaid expenses	24,825	5,869
<b>Total non-financial assets</b>	<b>16,582,036</b>	<b>15,664,131</b>
<b>Accumulated surplus (Note 17)</b>	<b>14,894,111</b>	<b>14,692,068</b>

Approved on behalf of Chief and Council:

Chief

Councilor

Councilor

Councilor

# Yunesit'in Government

## Consolidated Statement of Operations and Accumulated Surplus

*For the year ended March 31, 2020*

	<i>Schedules</i>	<b>2020 Budget (Note 22)</b>	<b>2020</b>	<b>2019</b>
<b>Revenue</b>				
Indigenous Services Canada (Note 18)		2,159,860	3,402,240	3,189,423
Other revenue		567,117	1,952,027	1,311,081
Investment Revenue - Yunesit'in Development Enterprises		-	1,360,607	2,056,960
First Nations Health Authority (Note 19)		703,710	1,027,218	749,536
First Nations Education Steering Committee Society		-	308,817	274,041
Cariboo Chilcotin Aboriginal Training Employment Centre		-	114,793	81,582
Canada Mortgage and Housing Corporation		15,701	12,727	10,606
BC First Nations Gaming Revenue Sharing Limited Partnership		-	351,362	-
Province of British Columbia		-	243,771	-
Human Resource Development Canada		-	223,950	-
Rentals		-	67,844	60,583
Funds held in trust income		-	3,912	29,524
		<b>3,446,388</b>	<b>9,069,268</b>	<b>7,763,336</b>
<b>Expenses</b>				
Training and Employment	3	187,324	179,524	168,485
Administration	4	1,204,538	1,857,863	2,277,056
Education	5	1,174,579	1,503,631	1,318,393
Government Programs	6	707,686	889,992	621,094
Health	7	549,620	977,816	666,806
Capital Projects	8	35,309	239,514	74,838
Public Works	9	193,163	1,101,723	1,170,285
Social Housing	10	35,276	36,222	34,632
Investment Fund	11	-	2,080,940	1,979,004
<b>Total expenses (Schedule 2)</b>		<b>4,087,495</b>	<b>8,867,225</b>	<b>8,310,593</b>
<b>Annual surplus (deficit)</b>		<b>(641,107)</b>	<b>202,043</b>	<b>(547,257)</b>
<b>Accumulated surplus, beginning of year</b>		<b>14,692,068</b>	<b>14,692,068</b>	<b>15,239,325</b>
<b>Accumulated surplus, end of year</b>		<b>14,050,961</b>	<b>14,894,111</b>	<b>14,692,068</b>

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

**Yunesit'in Government**  
**Consolidated Statement of Changes in Net Debt**  
*For the year ended March 31, 2020*

	<b>2020 Budget (Note 22)</b>	<b>2020</b>	<b>2019</b>
<b>Annual surplus (deficit)</b>	<b>(641,107)</b>	<b>202,043</b>	<b>(547,257)</b>
Purchases of tangible capital assets	-	<b>(1,590,885)</b>	<b>(815,811)</b>
Amortization of tangible capital assets	-	<b>691,936</b>	<b>612,271</b>
Acquisition of prepaid expenses	-	<b>(18,956)</b>	<b>(4,189)</b>
<b>Changes in net debt</b>	<b>(641,107)</b>	<b>(715,862)</b>	<b>(754,986)</b>
<b>Net debt, beginning of year</b>	<b>(972,063)</b>	<b>(972,063)</b>	<b>(217,077)</b>
<b>Net debt, end of year</b>	<b>(1,613,170)</b>	<b>(1,687,925)</b>	<b>(972,063)</b>

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

**Yunesit'in Government**  
**Consolidated Statement of Cash Flows**  
*For the year ended March 31, 2020*

	2020	2019
<b>Cash provided by (used for) the following activities</b>		
<b>Operating activities</b>		
Annual surplus (deficit)	202,043	(547,257)
Non-cash items		
Amortization	691,936	612,271
Funds held in trust income	(3,912)	(29,523)
	890,067	35,491
Changes in working capital accounts		
Accounts receivable and accruals	(497,848)	(437,225)
Accounts payable and accruals	(219,218)	128,579
Deferred revenue	(390,666)	283,409
Prepaid expenses	(18,956)	(4,189)
	(236,621)	6,065
<b>Financing activities</b>		
Advances of debt	50,750	-
Repayment of debt	(29,265)	(64,072)
Decrease (increase) in restricted cash	37,682	(19,558)
Advances of demand loans	318,796	-
Repayment of demand loans	(8,093)	(6,408)
Advances from related parties	183,698	-
Change in bank indebtedness	969,496	-
	1,523,064	(90,038)
<b>Capital activities</b>		
Purchases of tangible capital assets	(1,590,885)	(815,811)
<b>Decrease in cash resources</b>	(304,442)	(899,784)
<b>Cash resources, beginning of year</b>	304,442	1,204,226
<b>Cash resources, end of year</b>	-	304,442

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

**1. Operations**

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

**2. Significant accounting policies**

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

***Reporting entity***

The financial statements consolidate the financial activities of all entities and departments comprising the Government reporting entity, except for Government business entities. Trusts administered on behalf of third parties by Yunesit'in Government are excluded from the Government reporting entity.

The Government has consolidated the assets, liabilities, revenue and expenses of the following entities and departments:

- Yunesit'in Government CMHC Social Housing Program
- Yunesit'in Development Enterprises

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

***Basis of presentation***

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

***Cash resources***

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

***Portfolio investments***

Long-term investments in entities that are not owned, controlled or influenced by the Government reporting entity are accounted for using the cost method. They are recorded at cost, less any provision for other than temporary impairment.

***Tangible capital assets***

Tangible capital assets are initially recorded at cost. Contributed tangible assets are recorded at their fair value at the date of contribution.

All intangible assets and items inherited by the rights of the Government, such as reserve land, forests, water and mineral resources are not recognized in the Government's consolidated financial statements.

Tangible capital assets are amortized over their expected useful life of the assets using the declining balance and straight line methods. In the year of acquisition, amortization is taken at one-half the rates. See below for amortization rates of specific assets categories.

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

***Amortization***

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

	<b>Method</b>	<b>Rate</b>
Buildings	declining balance	4 %
Community infrastructure	declining balance	2 %
Machinery and equipment	declining balance	20-30 %
Housing	straight-line	4 %
Assets under construction	No amortization	

***Funds held in trust***

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

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

***Net financial assets (net debt)***

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

***Asset classification***

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

***Revenue recognition***

i) Government Funding

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

ii) Government Capital and Revenue Trust Funds

The Government recognizes revenue of the Capital and Revenue trusts when earned.

iii) Housing rental income

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

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

iv) Other revenue

Revenue such as administration fee, contract revenue and other revenue is recognized when performance is achieved, amounts are reasonably estimated and collection is reasonably assured.

***Measurement uncertainty (use of estimates)***

The preparation of consolidated financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenue and expenses during the reporting period. Accounts receivable are stated after evaluation as to their collectability and an appropriate allowance for doubtful accounts is provided where considered necessary. Amortization is based on the estimated useful lives of tangible capital assets. These estimates are reviewed periodically and, as adjustments become necessary, they are reported in operations of the period in which they become known.

***Employee future benefits***

The Government's employee future benefit programs consist of defined contribution pension plans. The Government's contributions to the defined contribution plans are expensed as incurred. The Government's contributions in the year were \$21,308 (2019 - \$17,046 ).

***Segments***

The Government conducts its business through a number of reportable segments as described in Note 21. These operating segments are established by senior management to facilitate the achievement of the Government's long-term objectives to aid in resource allocation decisions, and to assess operational performance.

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

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

***Liability for contaminated site***

A liability for remediation of a contaminated site is recognized at the best estimate of the amount required to remediate the contaminated site when contamination exceeding an environmental standard exists, the Government is either directly responsible or accepts responsibility, it is expected that future economic benefits will be given up, and a reasonable estimate of the amount is determinable. The best estimate of the liability includes all costs directly attributable to remediation activities and is reduced by expected net recoveries based on information available at March 31, 2020.

At each financial reporting date, the Government reviews the carrying amount of the liability. Any revisions required to the amount previously recognized is accounted for in the period revisions are made. The Government continues to recognize the liability until it is settled or otherwise extinguished. Disbursements made to settle the liability are deducted from the reported liability when they are made. As at March 31, 2020, no liability for contaminated sites exists.

**Yunesit'in Government**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2020*

**3. Accounts receivable**

	2020	2019
Indigenous Services Canada	379,106	18,200
Other government agencies	302,898	272,651
Members	154,236	147,606
Other receivables	754,552	599,857
	<b>1,590,792</b>	<b>1,038,314</b>
Less: allowance for doubtful accounts	<b>154,236</b>	<b>99,606</b>
	<b>1,436,556</b>	<b>938,708</b>

**4. Restricted cash**

Under the terms of the agreement with the Canada Mortgage and Housing Corporation, the replacement reserve account is to be credited in the amount of \$9,556 annually (2019 - \$9,556). These funds, along with the 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 the Credit Union Deposit Insurance Corporation, in investments guaranteed by the Canadian government, or in investments as agreed upon by the Canadian Mortgage and Housing Corporation.

At year end, the replacement reserve is adequately funded (2019 - adequately funded).

**5. Portfolio Investment**

The Government has an investment in the following entity:

	<i>Investment cost</i>	<i>2020 Total investment</i>
<b>Portfolio investment:</b>		
River West Forest Products Ltd.	1	1
		2019
	<i>Investment cost</i>	<i>Total investment</i>
<b>Portfolio investment:</b>		
River West Forest Products Ltd.	1	1

The Government owns 22% of the issued common shares in River West Forest Products Ltd. (the "Company") which is a Canadian controlled private corporation incorporated under the laws of the Province of British Columbia. The Company operates a sawmill in the Chilcotin area west of William Lake, British Columbia. The Company was inactive and had no operations as at March 31, 2020.

**Yunesit'in Government**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2020*

**6. Funds held in trust**

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

	2020	2019
Revenue Trust		
Balance, beginning of year	150,651	145,934
Interest	2,830	3,631
Special (BC)	1,082	1,086
Balance, end of year	154,563	150,651
Capital Trust		
Balance, beginning of year	24,806	-
Capital monies	-	24,806
	179,369	175,457

**Ottawa Trust Funds**

The Ottawa Trust accounts 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 Section 63 to 69 of the *Indian Act*.

**7. Bank indebtedness**

The Government has access to a banking overdraft amounting to a maximum of \$1,000,000 (2019 - \$750,000), made up of \$700,000 (2019 - \$300,000) for Yunesit'in Development Enterprise and \$300,000 for the Government (2019 - \$450,000). Each overdraft account bears interest at prime plus 0.5% (2019 - 0.5%). At March 31, 2020 the Bank of Montreal's prime rate of interest was 2.45% (2019 - 3.95%). Included in bank indebtedness is \$736,487 related to Yunesit'in Development Enterprises.

**8. Accounts payable and accruals**

Included in accounts payable and accruals is \$64,190 (2019 - \$28,826) payable to Indigenous Services Canada for overpaid arrangements. Included in accounts payable is \$13,060 (2019 - \$5,573) related to government remittances payable.

**9. Deferred revenue**

The Government has recorded the following externally restricted funding as deferred revenue to be used in the completion of ongoing projects:

	2020	2019
<b>Deferred funding contributions</b>		
Reporting systems inspections	36,490	-
Recycling and solid waste project	556,253	739,638
Child care spaces	-	243,771
	592,743	983,409

**Yunesit'in Government**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2020*

**10. Demand loans**

	<b>2020</b>	2019
Bank of Montreal demand loan bearing interest at prime plus 0.50% per annum with interest repayable monthly. The loan is secured by a charge against Government owned greenhouses with a net book value of \$1,022,963 (2019 - \$1,043,840). Prime rate at March 31, 2020 was 2.45% per annum (2019 - 3.95%).	<b>778,000</b>	778,000
Bank of Montreal demand loan bearing interest at prime plus 0.50% per annum, repayable in monthly blended payments of \$2,263. The loan is secured by a charge against a Government owned packer truck with a net book value of \$253,457. Prime rate at March 31, 2020 was 2.45% per annum.	<b>180,800</b>	-
Bank of Montreal demand loan bearing interest at prime plus 0.50% per annum with interest repayable monthly. The loan is secured by a charge against a Government owned bed and breakfast with a net book value of \$482,385. Prime rate at March 31, 2020 was 2.45% per annum.	<b>136,311</b>	-
Bank of Montreal demand loan bearing interest at prime plus 0.50% per annum, repayable in monthly blended payments of \$534 plus interest. The loan is secured by a charge against a Government owned housing unit with a net book value of \$102,364 (2019 - \$106,629). Prime rate at March 31, 2020 was 2.45% per annum (2019 - 3.95%).	<b>70,117</b>	76,525
	<b>1,165,228</b>	854,525
<hr/>		
2021	73,160	
2022	76,116	
2023	78,200	
2024	80,348	
2025	82,558	
Thereafter	774,846	
	<hr/>	
	1,165,228	

Above are the principal repayments on debt in each of the next five years, assuming demand loans subject to refinancing are renewed.

**Yunesit'in Government**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2020*

**11. Debt**

	2020	2019
All Nations Trust Phase IV bearing interest at 1.43% per annum (2019 - 1.43%), repayable in monthly blended payments of \$2,472. The loan has a renewal date of April 1, 2022, maturing April 1, 2022, and secured by a Government of Canada ministerial guarantee.	60,856	89,426
All Nations Trust loan bearing interest at the minimum lending rate per annum plus 0.50%, repayable in monthly blended payments of \$1,047. The loan has a maturity date of January 1, 2025 and is secured by a Government of Canada ministerial guarantee. The minimum lending rate at March 31, 2020 was 8.45%.	50,055	-
	<b>110,911</b>	89,426

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

	Principal
2021	37,494
2022	38,699
2023	12,622
2024	11,072
2025	11,024
	<b>110,911</b>

**12. Advances from related parties**

	2020	2019
Yunesit'in Development Enterprises	183,698	-

Advances from related parties are non-interest-bearing, unsecured, with no fixed repayment terms. Yunesit'in Development Enterprises has a non-contemporaneous year end and has been fully consolidated as at December 31, 2019. The related party balance results from a timing difference in consolidation date.

**13. Contingencies**

The Government is subject to funding recoveries according to their agreements with federal government agencies. It has not yet been determined to what extent any funding amounts related to the year ended March 31, 2020 might be recovered.

**14. Guarantee**

The Government is a guarantor on a Bank of Montreal mortgage loan made to Ralph Myers in the amount of \$195,660. The interest rate is a fixed rate of 4.24% per annum. Balance outstanding at March 31, 2020 is \$173,233 (2019 - \$176,913).

As at March 31, 2020, no liability (2019 - \$nil) has been recorded associated with this guarantee.

**15. Commitments**

The Government has entered into various lease agreements with estimated minimum annual payments over the next four years as follows:

2021	18,480
2022	18,480
2023	15,080
2024	2,100

**Yunesit'in Government**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2020*

**16. Subsequent event**

Subsequent to year-end, there was a global outbreak of COVID-19 (coronavirus), which has had a significant impact on businesses 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 unknown the extent of the impact the COVID-19 outbreak may have on the Government 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, and the duration of the outbreak, including the duration of travel restrictions, business closures or disruptions, and quarantine/isolation measures that are currently, or may be put, in place by Canada and other countries to fight the virus.

**17. Accumulated surplus**

Accumulated surplus consists of the following fund balances:

	2020	2019
Operating Fund	(660,712)	(285,107)
Ottawa Revenue Trust Fund	179,369	175,457
Housing Replacement Reserve	93,662	87,407
Equity in tangible capital assets	15,281,792	14,714,311
	<b>14,894,111</b>	<b>14,692,068</b>

**18. Indigenous Services Canada funding reconciliation**

	2020	2019
<b>Direct First Nation Funding</b>		
ISC revenue per confirmation	3,201,189	3,679,061
Deferred revenue from prior year	183,385	250,000
Deferred revenue to subsequent year	(36,490)	(739,638)
Reimbursements receivable from Indigenous Services Canada	54,156	-
	<b>3,402,240</b>	<b>3,189,423</b>

**19. First Nations Health Authority ("FNHA") funding reconciliation**

	2020	2019
<b>Direct First Nation Funding</b>		
FNHA revenue per confirmation	1,047,393	769,030
Included in other	(20,175)	(19,494)
	<b>1,027,218</b>	<b>749,536</b>

**20. Economic dependence**

Yunesit'in Government receives a significant portion of its revenue from Indigenous Services Canada ("ISC") as a result of funding agreements entered into with the Government of Canada. These funding agreements are administered by ISC under the terms and conditions of the *Indian Act*. The ability of the Government to continue operations is dependent upon the Government of Canada's continued financial commitments as guaranteed by these agreements.

# **Yunesit'in Government**

## **Notes to the Consolidated Financial Statements**

*For the year ended March 31, 2020*

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### **21. Segments**

The Government receives revenue from many different projects and sources. For management and reporting purposes, the revenue, expenses and surplus or deficits are organized by the following segments:

**1. Training and Employment:**

Includes the Cariboo Chilcotin Aboriginal Training Employment Centre funding and related expenses.

**2. Administration:**

Includes general operations, support, and financial management of Yunesit'in Government.

**3. Education:**

Includes revenue and expenses related to primary, secondary and post secondary education of the members of Yunesit'in Government.

**4. Government Programs:**

Includes revenue and expenses related to programs to support the Yunesit'in Government community.

**5. Health:**

Includes activities related to the provision of health services to the members of the Yunesit'in Government community.

**6. Capital Projects:**

Includes revenue and expenses related to capital projects.

**7. Public Works:**

Includes activities related to maintenance of infrastructure owned by the Government.

**8. Social Housing:**

Includes revenue and expenses relating to the operation of Yunesit'in Government CMHC Social Housing Program.

**9. Investment Funds:**

Includes activities related to the growth of revenue producing projects within Yunesit'in Development Enterprises

**Yunesit'in Government**  
**Notes to the Consolidated Financial Statements**  
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**22. Budget information**

The disclosed budget information has been approved by the Chief and Council of the Yunesit'in Government on May 21, 2019.

Budgets were not prepared for the following segments:

- Natural Resources
- Trust Fund
- Investment Fund

As such, the budget figures in the Consolidated Statement of Operations and Accumulated Surplus are not presented for the same scope of activities as the actual results.

Budget figures in the Consolidated Statement of Operations and Accumulated Surplus are presented using the same basis of accounting as the actual results. A reconciliation of these amounts to the amounts budgeted is as follows:

Budgeted annual deficit approved by Chief and Council	(1,012,594)
Adjusted for:	
Internal administration fees	371,487
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Budgeted annual deficit, per the Statement of Operations and Accumulated Surplus	<u>(641,107)</u>