

Yunesit'in Government
Consolidated Financial Statements
March 31, 2021

Yunesit'in Government

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For the year ended March 31, 2021

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Management's Responsibility

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 auditor. The Chief and Council are also responsible for recommending the appointment of the Government's external auditor.

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 auditor has full and free access to, and meet periodically with both the Chief and Council and management to discuss their audit findings.

November 9, 2021

Government Administrator

Independent Auditor's Report

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, 2021, and the consolidated statements of operations and accumulated surplus, changes in net debt, cash flows and the related schedules 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, 2021, and the results of its consolidated operations, its consolidated changes in net debt 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

November 9, 2021

MNP LLP

Chartered Professional Accountants


Yunesit'in Government

Consolidated Statement of Financial Position

As at March 31, 2021


	2021	2020
Financial assets		
Cash resources	533,797	139,079
Accounts receivable and accruals (Note 3)	1,425,907	1,436,556
Restricted cash (Note 4)	79,621	97,312
Investment in Government business entities (Note 5)	943,209	1
Funds held in trust (Note 6)	265,578	179,369
Total financial assets	3,248,112	1,852,317
Liabilities		
Bank indebtedness (Note 7)	800,067	1,108,575
Accounts payable and accruals (Note 8)	793,322	379,087
Deferred revenue (Note 9)	432,881	592,743
Demand loans (Note 10)	1,655,745	1,165,228
Debt (Note 11)	68,762	110,911
Advances from related parties (Note 12)	199,356	183,698
Total liabilities	3,950,133	3,540,242
Net debt	(702,021)	(1,687,925)
Contingencies (Note 13)		
Guarantee (Note 14)		
Commitment (Note 15)		
Significant event (Note 16)		
Subsequent event (Note 17)		
Non-financial assets		
Tangible capital assets (Schedule 1)	16,851,658	16,557,211
Prepaid expenses	21,086	24,825
Total non-financial assets	16,872,744	16,582,036
Accumulated surplus (Note 18)	16,170,723	14,894,111


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, 2021

	<i>Schedules</i>	<i>2021 Budget (Note 23)</i>	<i>2021</i>	<i>2020</i>
Revenue				
Indigenous Services Canada (Note 19)		2,222,296	4,200,767	3,402,240
Yunesit'in Development Enterprises		-	1,631,680	1,360,607
Other revenue		1,266,338	1,374,717	1,952,027
First Nations Health Authority (Note 20)		1,045,912	1,117,591	1,027,218
Earnings (loss) from investment in Nation business		-	(143,719)	-
BC First Nations Gaming Revenue Sharing Limited Partnership		-	376,736	351,362
First Nations Education Steering Committee Society		-	281,032	308,817
Gain on disposal of tangible capital assets		-	359,051	-
CCATEC		-	141,000	114,793
Funds held in trust income		-	86,209	3,912
Rentals		27,720	70,906	67,844
CMHC subsidy		12,727	41,227	12,727
Province of British Columbia		-	428,760	467,721
		4,574,993	9,965,957	9,069,268
Expenses				
Training and Employment	3	136,055	138,564	179,524
Administration	4	1,209,594	1,823,970	1,281,406
Education	5	1,645,028	2,006,668	1,649,968
Government Programs	6	727,408	744,893	889,992
Health	7	657,037	661,454	831,479
Capital Projects	8	35,309	287,196	239,514
Public Works	9	138,546	993,233	1,101,723
Investment Fund	10	-	1,998,495	2,657,397
Social Housing	11	39,604	34,872	36,222
Total expenses (Schedule 2)		4,588,581	8,689,345	8,867,225
Annual surplus (deficit)		(13,588)	1,276,612	202,043
Accumulated surplus, beginning of year		14,894,111	14,894,111	14,692,068
Accumulated surplus, end of year		14,880,523	16,170,723	14,894,111

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, 2021

	<i>2021 Budget (Note 23)</i>	<i>2021</i>	<i>2020</i>
Annual surplus (deficit)	(13,588)	1,276,612	202,043
Purchases of tangible capital assets	-	(1,031,091)	(1,590,885)
Amortization of tangible capital assets	-	736,644	691,936
Acquisition of prepaid expenses	-	3,739	(18,956)
Changes in net debt	(13,588)	985,904	(715,862)
Net debt, beginning of year	(1,687,925)	(1,687,925)	(972,063)
Net debt, end of year	(1,701,513)	(702,021)	(1,687,925)

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, 2021

	2021	2020
Cash provided by (used for) the following activities		
Operating activities		
Annual surplus	1,276,612	202,043
Non-cash items		
Amortization	736,644	691,936
Funds held in trust income	(86,209)	(3,912)
Loss (earnings) from investment in Government business entities	143,719	-
	2,070,766	890,067
Changes in working capital accounts		
Accounts receivable and accruals	10,649	(497,848)
Accounts payable and accruals	414,235	(219,218)
Deferred revenue	(159,862)	(390,666)
Prepaid expenses	3,739	(18,956)
	2,339,527	(236,621)
Financing activities		
Advances of debt	-	50,750
Repayment of debt	(42,149)	(29,265)
Decrease in restricted cash	17,691	37,682
Advances of demand loans	646,043	318,796
Repayment of demand loans	(155,526)	(8,093)
Advances from related parties	15,658	183,698
Change in bank indebtedness	(308,508)	1,108,575
Advances to Government business partnerships and entities	(1,086,927)	-
	(913,718)	1,662,143
Capital activities		
Purchases of tangible capital assets	(1,031,091)	(1,590,885)
Increase (decrease) in cash resources	394,718	(165,363)
Cash resources, beginning of year	139,079	304,442
Cash resources, end of year	533,797	139,079

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

Yunesit'in Government
Notes to the Consolidated Financial Statements
For the year ended March 31, 2021

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:

Fund Accounting

The Government uses fund accounting procedures which result in a self-balancing set of accounts for each fund established by legal, contractual or voluntary actions. The various funds have been amalgamated for the purpose of presentation in the summary consolidated financial statements. All interfund balances have been eliminated.

The Government maintains the following funds:

- The Operating Fund, which reports on the general activities of the Government administration.
- The Ottawa Trust Fund, which reports on trust monies owned by the Government and held by third parties.
- The Social Housing Fund, which reports the CMHC funded social housing operations of the Government.
- The Capital Fund reports on the tangible capital assets of the Government, less any related capital financing.
- The Enterprise Fund, which reports on activities of the Limited Partnerships and other incorporated entities controlled by the Yunesit'in Government on a modified equity basis.

Reporting entities

The consolidated 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 (100%)
- Yunesit'in Development Enterprises (100%)
- Yunesit'in Forest to Frame GP Inc. (100%)
- Yunesit'in Forest to Frame Limited Partnership (99.99%)

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

Yunesit'in Government business enterprises, owned or controlled by the Government but not dependant on the Government for their continuing operations, are included in the consolidated financial statements using the modified equity method. Government business partnerships, jointly owned and controlled by the Government that are not dependent on the Government for their continuing operations, are included in the consolidated financial statements using the modified equity method.

Under the modified equity method, the equity method of accounting is modified only to the extent that the business entity accounting principles are not adjusted to conform to those of the Government. Thus, the Government's investment in these entities is recorded at acquisition cost and is increased for the proportionate share of post acquisition earnings and decreased by post acquisition losses and distributions received.

Entities accounted for by the modified equity basis include:

- Elhdaqox Developments Ltd. (65%)
- Yunesit'in Master GP Inc. (100%)

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

- Yunesit'in Master Limited Partnership (99.99%)
- Yunesit'in Greenworks GP Ltd. (100%)
- Yunesit'in Greenworks Limited Partnership (99.99%)
- Yunesit'in B&B GP Ltd. (100%)
- Yunesit'in B&B Limited Partnership (99.99%)
- Yunesit'in Leading Edge GP Inc. (100%)
- Yunesit'in Leading Edge Limited Partnership (99.99%)

Entities that are not controlled or jointly controlled are accounted for at cost. This includes:

- Dandzen Development Limited Partnership (17%)
- River West Forest Products Ltd. (22%)

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.

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.

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:

	<i>Method</i>	<i>Rate</i>
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	

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

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 monies consist of:

- Capital trust monies derived from non-renewable resource transactions on the land or other Government tangible capital assets; and
- Revenue trust monies 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.

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.

Yunesit'in Government
Notes to the Consolidated Financial Statements
For the year ended March 31, 2021

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

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 \$35,350 (2020 - \$21,308).

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, 2021.

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, 2021, no liability for contaminated sites exists.

3. Accounts receivable

	2021	2020
Indigenous Services Canada	23,975	379,106
Other government agencies	256,621	302,898
Members	121,494	154,236
Other receivables	1,160,865	754,552
	1,562,955	1,590,792
Less: allowance for doubtful accounts	137,048	154,236
	1,425,907	1,436,556

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 (2020 - \$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 underfunded by \$50,674 (2020 - adequately funded).

Yunesit'in Government
Notes to the Consolidated Financial Statements
For the year ended March 31, 2021

5. Investment in Government business entities

The Government has investments in the following entities:

				2021
	<i>Investment cost</i>	<i>Loans / advances</i>	<i>Cumulative share of earnings (loss)</i>	<i>Total investment</i>
Portfolio investment:				
River West Forest Products Ltd. (22%)	1	-	-	1
Dandzen Development Limited Partnership (17%)	-	1	-	1
	1	1	-	2
Government Business Enterprises – Modified Equity:				
Yunesit'in Master GP Ltd. (100%)	-	1	-	1
Yunesit'in B&B GP Ltd. (100%)	-	1	-	1
Yunesit'in Greenworks GP Ltd. (100%)	-	1	-	1
Yunesit'in Leading Edge GP Ltd. (100%)	-	1	-	1
Elhdaqox Developments Ltd. (65%)	-	273,722	137,840	411,562
	-	273,726	137,840	411,566
Government Business Partnerships – Modified Equity:				
Yunesit'in Master Limited Partnership (99.99%)	-	1	-	1
Yunesit'in B&B Limited Partnership (99.99%)	-	1	-	1
Yunesit'in Greenworks Limited Partnership (99.99%)	-	1	-	1
Yunesit'in Leading Edge Limited Partnership (99.99%)	-	813,197	(281,559)	531,638
	-	813,200	(281,559)	531,641
	1	1,086,927	(143,719)	943,209
				2020
	<i>Investment cost</i>	<i>Loans / advances</i>	<i>Cumulative share of earnings (loss)</i>	<i>Total investment</i>
Portfolio investment:				
River West Forest Products Ltd. (22%)	1	-	-	1

Yunesit'in Government
Notes to the Consolidated Financial Statements
For the year ended March 31, 2021

5. Investment in Government business entities *(Continued from previous page)*

Elhdaqox Developments Ltd. (the "Company") was incorporated in the Province of British Columbia on June 27, 2017. The Company operates as a forestry rehabilitation contractor in the Caribou Chilcotin region. In 2020, the Government owned 38% of the issued common shares in the Company but did not establish control over the Company. As a result, the Government's investment in the Company is recorded at cost as at March 31, 2020. During 2021, the Government bought out the issued shares owned by another shareholder and established control by owning 65% of the issued shares. As a result, the Government's investment in the Company is recorded at modified equity method as at March 31, 2021.

In addition, the Government established the following limited partnerships and corporations to facilitate the Government's future economic development and business projects.

- Yunesit'in Master GP Inc. (100%)
- Yunesit'in Master Limited Partnership (99.99%)
- Yunesit'in Greenworks GP Ltd. (100%)
- Yunesit'in Greenworks GP Limited Partnership (99.99%)
- Yunesit'in B&B GP Ltd. (100%)
- Yunesit'in B&B Limited Partnership (99.99%)
- Yunesit'in Leading Edge GP Inc. (100%)
- Yunesit'in Leading Edge Limited Partnership (99.99%)

During 2021, the Government contributed \$552,328 for Yunesit'in Leading Edge Limited Partnership to purchase all the operating assets from Leading Edge Wood Works Inc. and carried on operating as a going concern. All other limited partnerships and corporations remain inactive as at March 31, 2021.

Summary financial information for each active Government business partnership, accounted for using the modified equity method, for their respective year-end is as follows:

	<i>Elhdaqox Developments Ltd. As at March 31, 2021</i>	<i>Yunesit'in Leading Edge Limited Partnership As at March 31, 2021</i>
Assets		
Cash	277,943	-
Accounts receivable	587,455	20,941
Inventory	163,227	-
Prepaid expenses	12,453	-
Due from related parties	266,375	-
Property, plant and equipment	277,060	513,940
Total assets	1,584,513	534,881
Liabilities		
Accounts payable and accruals	384,790	3,244
Due to related parties	-	813,197
Deferred revenue	5,000	-
Notes payable	50,337	-
Long-term debt	210,488	-
Total liabilities	650,615	816,441
Equity (deficit)	933,898	(281,560)
Total revenue	2,879,482	317,003
Total expenses	2,537,022	598,562
Net income (loss)	342,460	(281,559)

Yunesit'in Government
Notes to the Consolidated Financial Statements
For the year ended March 31, 2021

5. Investment in Government business entities *(Continued from previous page)*

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, 2021.

The Government is a limited partner that has 17% shared interests for Dandzen Development Limited Partnership (the "Partnership"). The Partnership operates a solar farm, a one Megawatt (1.25 MWdc) solar photovoltaic (PV) plant on the site of the River West sawmill. The Government does not have control over the Partnership. As a result, the Partnership is recorded at cost as at March 31, 2021.

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.

	2021	2020
Revenue Trust		
Balance, beginning of year	154,563	150,651
Interest	2,718	2,830
Special (BC)	1,087	1,082
Balance, end of year	158,368	154,563
Capital Trust		
Balance, beginning of year	24,806	24,806
Capital monies	82,404	-
Balance, end of year	107,210	24,806
	265,578	179,369

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 \$1,100,000 (2020 - \$1,000,000), made up of \$800,000 (2020 - \$700,000) for Yunesit'in Development Enterprise and \$300,000 for the Government (2020 - \$300,000). Each overdraft account bears interest at prime plus 0.5% (2020 - 0.5%). At March 31, 2021 the Bank of Montreal's prime rate of interest was 2.45% (2020 - 2.45%). Included in bank indebtedness is \$778,642 (2020 - \$736,487) related to Yunesit'in Development Enterprises.

8. Accounts payable and accruals

Included in accounts payable and accruals is \$247,779 (2020 - \$64,190) payable to Indigenous Services Canada for overpaid arrangements. Included in accounts payable is \$16,013 (2020 - \$13,060) related to government remittances payable.

Yunesit'in Government
Notes to the Consolidated Financial Statements
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9. Deferred revenue

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

	2021	2020
Deferred funding contributions		
Reporting systems inspections	32,490	36,490
Recycling and solid waste project	363,865	556,253
COVID-19 funding - fire halls	18,277	-
COVID-19 funding - Government offices	18,249	-
	432,881	592,743

10. Demand loans

	2021	2020
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 \$1,002,504 (2020 - \$1,022,963). Prime rate at March 31, 2021 was 2.45% per annum (2020 - 2.45%).	658,183	778,000
Bank of Montreal demand loan repayable in monthly instalments of \$2,210 including interest at prime plus 0.75% per annum, maturing July 2045, secured by all properties of Yunesit'in Leading Edge Limited Partnership with a net realizable value of \$513,940.	447,904	-
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 \$1,254,129 (2020 - \$482,385). Prime rate at March 31, 2021 was 2.45% per annum (2020 - 2.45%).	326,103	136,311
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 \$202,765 (2020 - \$253,457). Prime rate at March 31, 2021 was 2.45% per annum (2020 - 2.45%).	159,847	180,800
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 \$98,269 (2020 - \$102,364). Prime rate at March 31, 2021 was 2.45% per annum (2020 - 2.45%).	63,708	70,117
	1,655,745	1,165,228

2022	104,523
2023	107,339
2024	105,241
2025	108,230
2026	111,632
Thereafter	1,118,780
	1,655,745

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
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11. Debt

	2021	2020
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, 2021 was 8.45%.	36,891	50,055
All Nations Trust Phase IV bearing interest at 1.43% per annum (2020 - 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.	31,871	60,856
	68,762	110,911

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

	Principal
2022	41,171
2023	10,147
2024	11,072
2025	6,372
	68,762

12. Advances from related parties

	2021	2020
Yunesit'in Development Enterprises	199,356	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. 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, 2021 might be recovered.

During the year, the Government opened a retail operation that involves the sale of cannabis and related products. Under the terms of the Cannabis Act, the Government is required to obtain a licence from the Province of BC to engage in such a retail operation. As at March 31, 2021, the Government was not in compliance with the Cannabis Act and is therefore operating illegally. Unless existing legislation is amended, new legislation is passed, or the Supreme Court of Canada issues a decision on the matter, contingent liabilities may result from the Government not following the Cannabis Act. The extent of these contingent liabilities, if any, are not determinable as at March 31, 2021.

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Notes to the Consolidated Financial Statements
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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, 2021 is \$171,739 (2020 - \$173,233).

As at March 31, 2021, no liability (2020 - \$nil) has been recorded associated with this guarantee.

15. Commitment

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

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

16. Significant event

In early 2020, 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. The Government's operations were not significantly impacted by COVID-19 during the year ended March 31, 2021. At this time, it is unknown the full 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. While the extent of the impact is unknown, we anticipate this outbreak may cause reduced customer demand, supply chain disruptions, staff shortages, and increased government regulations, all of which may negatively impact the Government's business and financial condition.

For the year ended March 31, 2021, the Government received a total of \$965,677 of COVID-19 related funding. \$921,067 of this was received from Indigenous Services Canada and \$44,610 was received from First Nations Health Authority.

17. Subsequent event

The Government was named as the "Defendant" to a dispute with a subcontractor in relation to a contract for services provided by the Claimant. The outcome of this dispute is \$11,000 that the Government has agreed to pay the Claimant. Both parties signed the settlement agreement on October 13, 2021. The settlement has not been reflected in the March 31, 2021 consolidated financial statements and will be reported as an expense of the 2022 fiscal year.

18. Accumulated surplus

Accumulated surplus consists of the following fund balances:

	2021	2020
Operating fund	(295,510)	(659,993)
Ottawa revenue trust fund	265,578	179,369
Housing replacement reserve fund	130,295	93,662
Equity in tangible capital assets fund	15,127,151	15,281,072
Investment fund	943,209	1
	16,170,723	14,894,111

Yunesit'in Government
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19. Indigenous Services Canada funding reconciliation

	2021	2020
Direct First Nation Funding		
ISC revenue per confirmation	4,040,905	3,201,189
Deferred revenue from prior year	196,388	183,385
Deferred revenue to subsequent year	(36,526)	(36,490)
Reimbursements receivable from Indigenous Services Canada	-	54,156
	4,200,767	3,402,240

20. First Nations Health Authority ("FNHA") funding reconciliation

	2021	2020
Direct First Nation Funding		
FNHA revenue per confirmation	1,117,591	1,047,393
Included in other	-	(20,175)
	1,117,591	1,027,218

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 Caribou 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. Investment Fund:

Includes activities related to the growth of revenue producing projects within Government Business Entities, Government Business Partnerships and consolidated entities.

9. Social Housing:

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

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22. 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.

23. Budget information

The disclosed budget information has been approved by the Chief and Council of the Yunesit'in Government on February 19, 2020.

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	(203,008)
Adjusted for:	
Internal administration fees	189,420
<hr/>	
Budgeted annual surplus, per the Statement of Operations and Accumulated Surplus	(13,588)

24. Comparative figures

Certain comparative figures have been reclassified to conform with current year's presentation.