

ULKATCHO FIRST NATION

CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2021

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INDEPENDENT AUDITORS' REPORT

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ULKATCHO FIRST NATION

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

March 31, 2021

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

The consolidated financial statements have been prepared by management in accordance with Canadian public sector accounting standards prescribed for governments as recommended by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada and as such include amounts that are the best estimates and judgments of management.

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

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

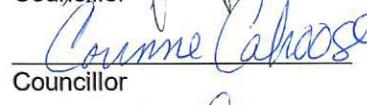
The Council meets periodically with management, as well as the external auditors, to discuss internal controls over the financial reporting process, auditing matters and financial reporting issues, to satisfy themselves that each party is properly discharging their responsibilities, and to review the consolidated financial statements and the external auditor's report.

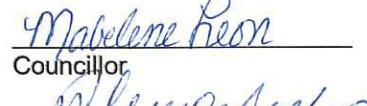
The external auditors, Reid Hurst Nagy Inc., conduct an independent examination, in accordance with Canadian auditing standards, and express their opinion on the consolidated financial statements. The external auditors have full and free access to financial management of Ulkatcho First Nation and meet when required.

On behalf of Ulkatcho First Nation:


Chief


Councillor

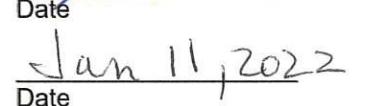

Councillor

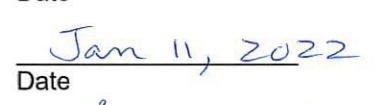

Councillor

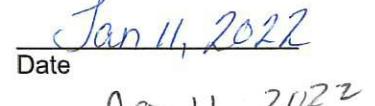

Councillor


Councillor


Date


Date


Date


Date


Date


Date

Independent Auditors' Report

To the Members of
Ulkatcho First Nation

Opinion

We have audited the consolidated financial statements of Ulkatcho First Nation, which comprise the consolidated statement of financial position as at March 31, 2021, and the consolidated statements of operations and accumulated surplus, change 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, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the First Nation as at March 31, 2021, and the results of its consolidated operations, its changes in its consolidated net financial assets, and its consolidated cash flows for the year then ended in accordance with PSAB.

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 Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the First Nation in accordance with the ethical requirements that are relevant to our audit of the 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 PSAB, 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 First Nation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the First Nation or to cease operations, or has no realistic alternative but to do so.

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

Auditors' Responsibilities for the Audit of the 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 auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- ◆ Identify and assess the risks of material misstatement of the 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 First Nation's internal control.
- ◆ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- ◆ Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the First Nation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 auditors' report. However, future events or conditions may cause the First Nation to cease to continue as a going concern.
- ◆ Evaluate the overall presentation, structure and content of the 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 Group 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.

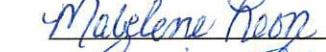
We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



Reid Hurst Nagy Inc.
CHARTERED PROFESSIONAL ACCOUNTANTS
Kelowna, B.C.
January 11, 2022

ULKATCHO FIRST NATION

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at March 31	2021	2020
FINANCIAL ASSETS		
Cash (Note 3)	\$ 5,330,257	\$ 502,140
Accounts receivable (Note 4)	816,198	439,535
Long-term investments (Note 5)	1,178,295	942,647
Ottawa trust funds (Note 7)	78,192	74,926
	<hr/> 7,402,942	<hr/> 1,959,248
LIABILITIES		
Accounts payable (Note 9)	633,346	510,894
Deferred revenue (Note 10)	30,000	52,713
Due to/from related parties (Note 11)	405,792	-
Term demand loan (Note 8)	149,298	175,196
	<hr/> 1,218,436	<hr/> 738,803
NET FINANCIAL ASSETS	6,184,506	1,220,445
NON-FINANCIAL ASSETS		
Capital assets (Note 14)	13,376,001	13,678,334
Prepaid expenses	26,374	299,587
	<hr/> 13,402,375	<hr/> 13,977,921
ACCUMULATED SURPLUS	\$ 19,586,881	\$ 15,198,366
CONTINGENT LIABILITIES		
APPROVED ON BEHALF OF THE ULKATCHO FIRST NATION		
	, Chief	
	, Councillor	
	, Councillor	
	, Councillor	
	, Councillor	
	, Councillor	

ULKATCHO FIRST NATION

CONSOLIDATED STATEMENT OF CHANGE IN NET FINANCIAL ASSETS

<u>For the year ended March 31</u>	<u>2021</u>	<u>2020</u>
ANNUAL SURPLUS	\$ 4,388,515	\$ 682,484
Acquisition of tangible capital assets	(338,031)	(233,650)
Amortization of tangible capital assets	640,364	652,200
	302,333	418,550
Acquisition of prepaid asset	(26,374)	(370,329)
Use of prepaid asset	299,587	85,092
	273,213	(285,237)
INCREASE IN NET FINANCIAL ASSETS	4,964,061	815,797
NET FINANCIAL ASSETS AT BEGINNING OF YEAR	1,220,445	404,648
NET FINANCIAL ASSETS AT END OF YEAR	\$ 6,184,506	\$ 1,220,445

ULKATCHO FIRST NATION

CONSOLIDATED STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS

For the year ended March 31	2021 Budget	2021 Actual	2020 Actual
REVENUE			
Indigenous Services Canada	\$ 3,154,477	\$ 8,340,133	\$ 4,124,127
Province of BC	1,343,635	2,151,939	1,222,532
First Nations Health Authority	1,508,431	1,879,119	1,521,348
Other	376,296	452,552	456,381
Income (loss) from First Nation controlled entities	-	269,232	804,947
Blackwater project	-	112,500	827,271
Rental	-	92,516	58,747
Thompson Rivers University	-	86,303	-
Government of Canada	-	84,500	-
Cariboo Chilcotin Aboriginal Training Employment Centre	77,551	77,248	98,210
First Nations Education Steering Committee	-	66,794	102,527
Insurance proceeds	-	52,713	-
Interest	7,500	7,680	12,613
Allocation from deferred revenue	-	52,713	52,713
Allocation to deferred revenue	-	(30,000)	(52,713)
	6,467,890	13,695,942	9,228,703
EXPENSES			
Government Development and Administration	1,691,330	2,133,088	1,733,324
Education	1,954,100	2,883,777	1,940,412
Social Development	219,555	1,484,234	1,586,342
Health	1,695,600	921,410	1,287,157
Job Creation	47,963	73,017	118,680
Economic Development	129,350	429,008	442,132
Public Works Operations & Maintenance	351,794	742,529	785,972
Capital Fund	-	640,364	652,200
	6,089,692	9,307,427	8,546,219
ANNUAL SURPLUS	378,198	4,388,515	682,484
ACCUMULATED SURPLUS AT BEGINNING OF YEAR	-	15,198,366	14,515,882
ACCUMULATED SURPLUS AT END OF YEAR	\$ 378,198	\$ 19,586,881	\$ 15,198,366

ULKATCHO FIRST NATION

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended March 31, 2021	2021	2020
OPERATING ACTIVITIES		
ANNUAL SURPLUS	\$ 4,388,515	\$ 682,484
Items not affecting cash		
Amortization of tangible capital assets	640,364	652,200
Share of (income) loss from First Nation controlled entities	(235,648)	(804,947)
Investment in Ottawa Trust Funds	(3,266)	(4,344)
	4,789,965	525,393
Change in non-cash operating working capital		
Accounts receivable	(376,663)	677,394
Prepaid expenses	273,213	(285,237)
Accounts payable	122,452	78,170
Deferred revenue	(22,713)	-
	4,786,254	995,720
CAPITAL ACTIVITIES		
Acquisition of tangible capital assets	(338,031)	(233,650)
FINANCING ACTIVITIES		
Principal reduction on long term debt	-	(21,802)
Principal reduction on term demand loans	(25,898)	(244,678)
Advances to related parties	405,792	-
	379,894	(266,480)
INVESTING ACTIVITIES		
Repayment of advances from government business entity	-	72,666
Acquisition of shares in BCFN GRS GP Inc.	-	(10)
Acquisition of interest in BC First Nation Gaming Revenue Sharing LP	-	(100)
	-	72,556
INCREASE IN CASH AND CASH EQUIVALENTS	4,828,117	568,146
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	502,140	(66,006)
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 5,330,257	\$ 502,140

ULKATCHO FIRST NATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2021

1. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES

These financial statements are prepared in accordance with Canadian public sector accounting standards for governments as recommended by the Public Sector Accounting Board of the CPA Canada.

(a) Reporting Entity

Ulkatcho First Nation reporting entity includes the Ulkatcho First Nation government and all related entities that are either owned or controlled by the First Nation.

(b) Fund Accounting

The Ulkatcho First Nation maintains the following funds and reserves as part of its operations:

- The Operating Fund which reports the general activities of the First Nation administration. The Operating Fund comprises of the Government Development and Administration Department, Education Department, Social Development Department, Health Department, Job Creation Department, Economic Development Department and Public Works Operations and Maintenance Department
- The Capital Fund which reports the capital assets of the First Nation not included in other funds, together with their related activities.
- The Trust Fund which reports on the trust funds of the First Nation and held by third parties.
- The Enterprise Fund which reports the First Nation's investment in self-supporting commercial entities.

(c) Principles of Consolidation

All controlled entities are fully consolidated on a line-by-line basis except for the commercial enterprises which meet the definition of government business enterprise, which are included in the Consolidated Statements on a modified equity basis. Inter-organizational balances and transactions are eliminated upon consolidation.

Under the modified equity method of accounting, only Ulkatcho First Nation's investment in the government business enterprise and the enterprise's net income and other changes in equity are recorded. No adjustment is made for accounting policies of the enterprise that are different from those of Ulkatcho First Nation.

Organizations accounted for on a modified equity basis include:

1. Ulkatcho Mercantile Ltd.
2. 690361 B.C. Ltd.
3. Yun Ka Wun'ten Development Limited Partnership
4. Yun Ka Wun'ten Holdings Ltd.
5. Ulkatcho Land Holdings Ltd.

(d) Cash and Cash Equivalents

Cash and cash equivalents includes cash on hand and short-term investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value, net of bank overdrafts.

ULKATCHO FIRST NATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2021

1. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES, continued

(e) 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.

Leases that transfer substantially all the benefits and risks of ownership to the lessee are recorded as capital leases. Accordingly, at the inception of the leases, the tangible capital asset and related lease obligations are recorded at an amount equal to the present value of future lease payments discounted at the lower of the interest rate inherent in the lease contracts and Ulkatcho First Nation's incremental cost of borrowing.

Amortization is provided for on a straight-line basis over their estimated useful lives as follows:

Buildings	30% Declining balance
Automotive equipment	4% Declining balance
Equipment	20%, 30%, 55% Declining balance
Furniture and equipment	4% Declining balance
Infrastructure	4% Declining balance

Tangible capital assets are written down when conditions indicate that they no longer contribute to Ulkatcho First 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. The net write-downs are accounted for as expenses in the consolidated statement of operations.

Contributed capital assets are recorded into revenues at their fair value on the date of donation, except in circumstances where fair value cannot be reasonably determined, in which case they are recognized at nominal value. Transfers of capital assets from related parties are recorded at carrying value.

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. Assets under construction are not amortized until the asset is available to be put into service.

(f) Revenue Recognition

Revenues are recognized in the period in which the transactions or events occurred that gave rise to the revenues. All revenues are recorded on an accrual basis, except when the accruals cannot be determined with a reasonable degree of certainty or when their estimation is impracticable.

Government transfers are recognized as revenues 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. Transfer revenue is recognized in the 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.

Revenue related to fees or services received in advance of the fee being earned or the service is performed is deferred and recognized when the fee is earned or service performed.

(g) Surplus Recoveries and Deficit Funding

Under the terms of funding arrangements, remaining surpluses of certain programs may be recovered by the funding agency, and remaining deficits may be funded by the funding agency.

ULKATCHO FIRST NATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2021

1. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES, continued

(h) Segments

The First Nation conducts its business through reportable segments. These operating segments are established by senior management to facilitate the achievement of the First Nation's long-term objectives, aid in resource allocation decisions, and to assess operational performance. For each reported segment, revenues and expenses represent both amounts that are directly attributed to the segment and amounts that are allocated on a reasonable basis. Therefore, certain allocation methodologies are employed in the preparation of segmented financial information.

(i) Measurement Uncertainty

In preparing the consolidated financial statements for the First Nation, management is required 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 period. Significant areas requiring the use of management estimates relate to the determination of allowance for doubtful accounts receivable, the useful lives of tangible capital assets and its related depreciation and accounts payable and accrued liabilities. Actual results could differ from those estimates.

(j) Asset classification

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

(k) Liability for contaminated sites

A liability for contaminated sites is recognized when a site is not in productive use and the following criteria are met:

- (i) an environmental standard exists;
- (ii) contamination exceeds the environmental standards;
- (iii) first Nation is directly responsible or accepts responsibility;
- (iv) it is expected that future economic benefits will be given up; and
- (v) a reasonable estimate of the amount can be made.

The liability is recognized as management's estimate of the cost of post- remediation including operation, maintenance and monitoring that are an integral part of the remediation strategy for a contaminated site.

As at March 31, 2020 and March 31, 2021, no liability for contaminated sites have been recorded.

2. TERM DEMAND LOAN

The term demand loans are secured by a Band Council Resolution and a general security agreement registered with a floating charge over all assets of West Chilcotin Forest Products Ltd., Yun Ka Whut'en Development Limited Partnership and 690361 B.C. Ltd., and are supported by corporate guarantees in the amount of \$2,000,000.

	2021	2020
Term demand loan repayable in monthly installments of \$2,799 including interest at prime plus 0.75%.	\$ 149,298	\$ 175,196

ULKATCHO FIRST NATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2021

3. CASH

	2021	2020
Unrestricted		
Cash in bank	\$ 5,330,257	\$ 502,140
	\$ 5,330,257	\$ 502,140

4. ACCOUNTS RECEIVABLE

	2021	2020
Accounts receivable	\$ 78,564	\$ 37,870
Denisiqi Services Society	100,538	100,538
Thompson Rivers University	86,303	-
Indigenous Services Canada	334,425	179,615
Canadian Red Cross	55,868	55,868
Ministry of Forests, Lands, Natural Resource	50,000	-
Tolko Industries	32,500	-
Fraser Basin Council	30,000	-
West Fraser Timber Ltd.	21,000	-
Southern Dekelh Nation Alliance Society	15,000	-
First People's Heritage	12,000	-
First Nations Education Steering Committee	-	43,541
C.C.A.T.E.C.	-	22,103
	\$ 816,198	\$ 439,535

ULKATCHO FIRST NATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2021

5. LONG-TERM INVESTMENTS

	2021	2020
Investment in Yun Ka Whu'ten Development LP		
Partnership units, at cost	\$ 9,999	\$ 9,999
Accumulated partners' capital	<u>858,744</u>	<u>663,605</u>
	<u>868,743</u>	673,604
Investment in Ulkatcho Mercantile Ltd.		
Share unit, at cost	1	1
Contributed surplus	<u>560,867</u>	560,867
Accumulated deficit	<u>(270,156)</u>	<u>(310,665)</u>
	<u>290,712</u>	250,203
Investment in 690361 B.C. Ltd.		
Share unit, at cost	2	2
Accumulated deficit	<u>(830)</u>	<u>(830)</u>
Accumulated advances	<u>697</u>	<u>697</u>
	<u>(131)</u>	<u>(131)</u>
Investment in Gatcho Resort, at cost	4,969	4,969
Investment in Traplines, at cost	<u>13,892</u>	13,892
Investment in BC First Nations Gaming Revenue Limited Partnership	<u>110</u>	110
	<u>\$ 1,178,295</u>	<u>\$ 942,647</u>

Investment in Ulkatcho Land Holdings Ltd., Shares (Held in Trust) at cost \$0.01.

ULKATCHO FIRST NATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2021

6. FIRST NATION CONTROLLED ENTITIES

Commercial enterprises are those organizations that meet the definition of government business enterprises as described by the Public Sector Accounting Board of the CPA Canada. Government business enterprises have the power to contract in their own name, have the financial and operating authority to carry on a business, sell goods and services to customers outside the First Nation government as their principal activity, and that can, in the normal course of their operations, maintain operations and meet liabilities from revenues received from outside the First Nation government.

Following is the condensed financial results for the First Nation controlled entities as noted below.

	Yun Ka Whut'en Development Limited Partnership	Ulkatcho Mercantile Ltd.	West Chilcotin Forest Products Ltd.	690391 B.C. Ltd.
Cash	\$ 1,454,385	\$ 278,524	\$ 3	\$ -
Accounts receivable	158,394	49,310	-	-
Prepaid expenses	3,723	2,810	-	-
Inventory	-	58,245	-	-
Tangible capital assets	241,915	21,923	-	-
Other assets	1,302,430	6,210	-	-
Total assets	\$ 3,160,847	\$ 417,022	\$ 3	\$ -

Accounts payable	\$ 300,876	\$ 74,346	\$ -	\$ -
Deferred revenue	453,167	51,963	-	-
Deposits	63,376	-	-	-
Other liabilities	1,471,400	67,286	-	827
Total liabilities	2,288,819	193,595	-	827
Share capital	-	1	3	2
Equity	872,028	223,426	-	(829)
Total equity	872,028	223,427	3	(827)
Total liabilities and equity	\$ 3,160,847	\$ 417,022	\$ 3	\$ -

	Yun Ka Whut'en Development Limited Partnership	Ulkatcho Mercantile Ltd.	West Chilcotin Forest Products Ltd.	690391 B.C. Ltd.
Revenue	\$ 6,255,020	\$ 1,094,041	\$ -	\$ -
Other	702,716	-	-	-
	6,957,736	1,094,041	-	-
Cost of Goods Sold	5,731,648	993,288	-	-
General and Administrative Expenses	823,470	60,244	-	-
Other	173,666	-	-	-
Total expenses	6,728,784	1,053,532	-	-
Net income	\$ 228,952	\$ 40,509	\$ -	\$ -

ULKATCHO FIRST NATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS March 31, 2021

6. FIRST NATION CONTROLLED ENTITIES, continued

7. OTTAWA TRUST FUNDS

	2021	2020
Capital funds held in trust	\$ 33,026	\$ 33,026
Revenue funds held in trust	45,166	41,900
	<hr/> \$ 78,192	<hr/> \$ 74,926
	March 31, 2020	Additions, 2021
	March 31, 2021	
Revenue funds held in trust	\$ 41,900	\$ 3,266
Capital funds held in trust	33,026	-
	<hr/> \$ 74,926	<hr/> \$ 3,266
	<hr/> \$ 78,192	<hr/> \$ 78,192

8. CONTINGENT LIABILITIES

Ulkatcho 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, the 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, an an expense is recorded in the financial statements.

9. ACCOUNTS PAYABLE

	2021	2020
Accounts payable and accrued liabilities	\$ 523,720	\$ 456,140
Indigenous Services Canada	-	6,520
Wages payable	109,626	48,234
	<hr/> \$ 633,346	<hr/> \$ 510,894

ULKATCHO FIRST NATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2021

10. DEFERRED REVENUE

	March 31, 2020	Funding received, 2021	March 31, 2021
Federal government			
Capital Surplus	\$ 47,791	\$ (47,791)	\$ -
Stella West Unit	4,922	(4,922)	-
	52,713	(52,713)	-
Provincial Government			
Province of BC	-	30,000	30,000
	\$ 52,713	\$ (22,713)	\$ 30,000

11. DUE TO/FROM RELATED PARTIES

	2021	2020
Yun Ka Whut'en Development LP	\$ 414,859	\$ -
Ulkatcho Mercantile Ltd.	11,117	-
UFN Land Holdings Ltd.	(20,184)	-
	\$ 405,792	\$ -

12. MANAGEMENT ACTION PLAN

Based on the financial position of the Nation for the fiscal year ended March 31, 2013, Indigenous Services Canada (ISC) initiated intervention requiring the Nation to implement a Management Action Plan (MAP). The MAP has been prepared and implemented by the Nation and covers the five-year period ending March 31, 2019. The MAP was updated by management, approved by a Band Council Resolution on Oct 29, 2018 and sent to ISC for approval.

The Management Action Plan (MAP) has not been updated since November 2018 due to delays in receiving the March 31, 2019 financial statements and then secondly due to the onset of COVID-19. It is anticipated that the MAP will be reviewed upon submission of the March 31, 2021 audit.

13. ACCUMULATED SURPLUS

	2021	2020
Unrestricted		
Operating Fund	\$ 6,462,358	\$ 2,044,008
Capital Fund	10,279,172	10,581,505
Enterprise Fund	2,767,160	2,497,928
	19,508,690	15,123,441
Restricted		
Trust Funds	78,191	74,925
	\$ 19,586,881	\$ 15,198,366

ULKATCHO FIRST NATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2021

14. TANGIBLE CAPITAL ASSETS

	Cost			Accumulated amortization				2021 net book value
	Balance, beginning of year	Additions	Balance, end of year	Balance, beginning of year	Amortization	Balance, end of year		
Buildings	\$ 14,015,171	\$ 60,069	\$ 14,075,240	\$ 5,823,377	\$ 327,775	\$ 6,151,152	\$ 7,924,088	
Automotive equipment	933,453	198,838	1,132,291	820,616	42,841	863,457	268,834	
Equipment	1,370,855	79,124	1,449,979	1,072,963	66,716	1,139,679	310,300	
Infrastructure	5,168,725	-	5,168,725	2,337,450	113,251	2,450,701	2,718,024	
Housing	9,494,839	-	9,494,839	7,250,303	89,781	7,340,084	2,154,755	
	\$ 30,983,043	\$ 338,031	\$ 31,321,074	\$ 17,304,709	\$ 640,364	\$ 17,945,073	\$ 13,376,001	

	Cost			Accumulated amortization				2020 Net book value
	Balance, beginning of year	Additions	Balance, end of year	Balance, beginning of year	Amortization	Balance, end of year		
Buildings	\$ 14,015,171	\$ -	\$ 14,015,171	\$ 5,482,052	\$ 341,325	\$ 5,823,377	\$ 8,191,794	
Automotive equipment	840,640	92,813	933,453	794,557	26,059	820,616	112,837	
Equipment	1,230,024	140,831	1,370,855	999,639	73,324	1,072,963	297,892	
Infrastructure	5,168,725	-	5,168,725	2,219,480	117,970	2,337,450	2,831,275	
Social Housing	9,494,839	-	9,494,839	7,156,781	93,522	7,250,303	2,244,536	
	\$ 30,749,399	\$ 233,644	\$ 30,983,043	\$ 16,652,509	\$ 652,200	\$ 17,304,709	\$ 13,678,334	

ULKATCHO FIRST NATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS March 31, 2021

15. COMPARATIVE AMOUNTS

Certain of the comparative amounts have been reclassified to conform with the presentation adopted in the current period.

16. EXPENSES BY OBJECT

For the year ended March 31	2021 Budget	2021 Actual	2020 Actual
Amortization	\$ -	\$ 640,364	\$ 652,200
Bad debts	-	-	63,489
Basic needs	189,990	1,305,201	1,327,619
Boarding Fee	241,400	291,049	278,472
COVID-19 School Restart	-	25,385	-
Children out of parental home	-	8,588	7,130
Contractors	337,725	572,175	667,067
Donations	1,000	117	3,250
Elder Wood Contracts	-	38,950	-
Election costs	-	3,500	2,834
Equipment leases	22,300	22,990	10,168
Honoraria	313,900	312,908	383,094
Insurance	40,263	221,777	180,228
Interest and bank charges	9,200	17,250	25,586
Licenses, fees and dues	8,800	14,822	11,347
Living allowance	649,400	866,046	649,393
Loan payments	-	-	1,574
Management fees	309,045	-	(3,479)
Minor Capital	-	18,277	-
Other expense	3,800	5,809	14,927
Post secondary tuition	274,300	927,608	274,329
Private Tuition	75,000	57,629	22,974
Professional fees	147,250	334,535	237,294
Program costs	97,340	56,718	176,384
Promotion	500	1,845	1,389
Rent	5,200	45,658	20,403
Repairs and maintenance	141,788	307,443	239,986
Snow removal/grading	-	21,870	-
Special Needs	-	447,721	27,839
Supplies	428,100	290,441	604,521
Tangible capital asset acquisition	11,323	64,414	(78,617)
Training	23,275	-	9,354
Travel	380,331	227,895	504,269
Utilities and telephone	260,500	272,433	193,728
Vehicle	36,800	17,945	51,884
Wages and benefits	2,066,562	1,853,259	1,940,981
Workshops	14,600	14,805	44,602
	\$ 6,089,692	\$ 9,307,427	\$ 8,546,219

ULKATCHO FIRST NATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2021

17. ECONOMIC DEPENDENCE

Ulkatcho First Nation receives a significant portion of its revenue pursuant to an agreement referred to as "The Comprehensive Funding Arrangement". This agreement has been entered into by Ulkatcho First Nation and Indigenous Services Canada. It is expected that the agreement will be renewed on an annual basis.

The First Nation also receives major funding pursuant to an arrangement with First Nation Health Authority and under which certain surpluses and deficits may be offset, but with the net balance repayable or refundable as the case may be.

18. SEGMENTED INFORMATION

As previously discussed in note 1 (i) the First Nation conducts its business through reportable segments as follows:

The Government Development and Administration department is responsible for administering projects the First Nation is involved in annually and on an on-going basis relating to the overall objectives of the First Nation and the development of stable, legitimate and accountable community governments. It also provides overall support of the First Nation including advisory services relating to financial management, band government, economic development, community services and technical services.

Education supports the members in expressing, preserving, developing and promoting its cultural heritage through the establishment and operation of First Nation education centres and programs, it also provides services for students at the elementary/secondary and post secondary level, including; instructional services both on and off reserve as well as support services such as transportation, accommodation, guidance and counselling.

Social Development provides assistance to community members unable to provide for themselves and their dependents. The services provided by this department include, but are not limited to, income assistance, child and family services, assisted living and early childhood development.

The Health department oversees the delivery of health programs and initiatives for the betterment of the lives of the members of the First Nation.

Job Creation supports the development of employment opportunities for members of the First Nation.

Economic Development supports the development of employment opportunities for members of the First Nation.

Public Works Operations and Maintenance manages capital projects within the community undertaken to support the growth and/or maintenance of the First Nation's infrastructure.

Other operations include Capital Fund, Enterprise Fund and Trust Fund transactions.

The accounting policies used in these segments are consistent with those followed in the preparation of the consolidated financial statements as disclosed in Note 1.

ULKATCHO FIRST NATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2021

18. SEGMENTED INFORMATION, continued

	Government Development and Administration			Education		Social Development			
	2021 Budget	2021 Actual	2020 Actual	2021 Budget	2021 Actual	2020 Actual	2021 Budget	2021 Actual	2020 Actual
Revenues									
Indigenous Services Canada	\$ 1,093,855	\$ 2,639,663	\$ 886,703	\$ 1,450,000	\$ 2,145,426	\$ 1,389,454	\$ 220,900	\$ 1,469,417	\$ 1,375,290
First Nations Health Authority	-	-	4,000	-	-	-	-	-	-
Province of BC	84,200	1,305	78,153	-	-	-	-	-	-
First Nations Education Steering Committee	-	-	-	-	61,818	88,582	-	-	-
Rental	-	59,780	58,147	-	-	-	-	-	-
Interest	7,500	4,414	8,269	-	-	-	-	-	-
Other revenue	317,000	285,748	104,492	4,100	60,004	5,238	-	-	-
Total revenue	1,502,555	2,990,910	1,139,764	1,454,100	2,267,248	1,483,274	220,900	1,469,417	1,375,290
Expenses									
Contractors	42,200	76,943	116,402	6,900	4,112	39,288	32,900	6,021	29,362
Honoraria	304,400	310,033	368,331	4,500	2,750	5,800	-	-	200
Insurance	10,000	151,804	125,535	10,200	14,698	12,226	-	-	-
Professional fees	145,750	254,394	96,541	-	10,087	333	-	-	-
Program costs	1,100	-	8,414	1,250,625	2,157,148	1,238,056	2,500	6,149	19,820
Supplies	107,332	85,454	277,302	55,300	57,893	68,380	5,300	17,181	19,242
Travel	4,000	16,300	109,689	46,000	36,249	52,791	6,600	-	5,186
Wages and benefits	617,025	559,027	527,046	504,300	523,551	468,962	156,465	76,537	123,824
Other expenses	459,523	679,133	104,064	76,275	77,289	54,576	15,790	1,378,346	1,388,708
Total expenses	1,691,330	2,133,088	1,733,324	1,954,100	2,883,777	1,940,412	219,555	1,484,234	1,586,342
Annual surplus (deficit)	\$ (188,775)	\$ 857,822	\$ (593,560)	\$ (500,000)	\$ (616,529)	\$ (457,138)	\$ 1,345	\$ (14,817)	\$ (211,052)

ULKATCHO FIRST NATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2021

18. SEGMENTED INFORMATION, continued

	2021 Budget	Health		Job Creation		Economic Development		
		2021 Actual	2020 Actual	2021 Budget	2021 Actual	2020 Actual	2021 Budget	2021 Actual
Revenues								
Indigenous Services Canada	\$ -	\$ -	\$ -	\$ 18,277	\$ 18,277	\$ -	\$ 50,826	\$ 159,975
First Nations Health Authority	1,508,431	1,879,119	1,517,348	-	-	-	-	-
Province of BC	-	-	-	-	658,910	-	1,259,435	1,399,493
First Nations Education Steering Committee	-	-	-	-	4,976	13,945	-	-
Rental	-	-	-	-	-	-	-	600
C.C.A.T.E.C.	-	-	-	52,011	77,248	98,210	25,540	-
Other revenue	41,762	27,449	12,988	(3,600)	114,208	4,320	16,234	282,057
Total revenue	1,550,193	1,906,568	1,530,336	66,688	873,619	116,475	1,352,035	1,841,525
Expenses								
Contractors	136,200	31,613	84,874	-	4,206	9,653	-	224,944
Honoraria	5,000	-	8,200	-	125	-	-	125
Insurance	14,300	15,472	18,316	863	1,175	-	-	12,570
Professional fees	-	675	-	-	-	-	67,804	129,867
Program costs	83,215	73,867	121,219	-	836	-	-	12,534
Supplies	239,525	70,807	206,538	12,025	5,461	1,881	-	5,748
Travel	300,156	163,330	293,114	2,000	676	381	19,875	7,985
Wages and benefits	584,747	455,841	449,204	18,375	40,174	60,407	109,075	94,759
Other expenses	332,457	109,805	105,692	14,700	20,364	46,358	400	15,198
Total expenses	1,695,600	921,410	1,287,157	47,963	73,017	118,680	129,350	429,008
Annual surplus (deficit)	\$ (145,407)	\$ 985,158	\$ 243,179	\$ 18,725	\$ 800,602	\$ (2,205)	\$ 1,222,685	\$ 1,412,517
								\$ 1,821,881

ULKATCHO FIRST NATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2021

18. SEGMENTED INFORMATION, continued

	Public Works Operations & Maintenance			Social Housing			Capital Fund		
	2021 Budget	2021 Actual	2020 Actual	2021 Budget	2021 Actual	2020 Actual	2021 Budget	2021 Actual	2020 Actual
Revenues									
Indigenous Services Canada	\$ 320,619	\$ 1,907,375	\$ 369,994	-	\$ -	\$ -	\$ -	\$ -	\$ -
Province of BC	-	62,231	-	-	-	-	-	-	-
Rental	-	32,737	-	-	-	-	-	-	-
Other revenue	800	71,813	140,266	-	-	-	-	-	-
Total revenue	321,419	2,074,156	510,260	-	-	-	-	-	-
Expenses									
Contractors	119,525	224,336	269,341	-	-	-	-	-	-
Honoraria	-	-	438	-	-	-	-	-	-
Insurance	4,900	26,058	8,901	-	-	-	-	-	-
Professional fees	1,500	1,575	10,553	-	-	-	-	-	-
Program costs	-	21,870	1,509	-	-	-	-	-	-
Supplies	8,618	47,897	10,711	-	-	-	-	-	-
Travel	1,700	3,355	27,204	-	-	-	-	-	-
Wages and benefits	76,575	103,371	201,404	-	-	-	-	-	-
Other expenses	138,976	314,067	255,911	-	-	-	-	640,364	652,200
Total expenses	351,794	742,529	785,972	-	-	-	-	640,364	652,200
Annual surplus (deficit)	\$ (30,375)	\$ 1,331,627	\$ (275,712)	-	\$ -	\$ -	\$ -	\$ (640,364)	\$ (652,200)

ULKATCHO FIRST NATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2021

18. SEGMENTED INFORMATION, continued

	Enterprise Fund			Trust Funds			Consolidated totals		
	2021 Budget	2021 Actual	2020 Actual	2021 Budget	2021 Actual	2020 Actual	2021 Budget	2021 Actual	2020 Actual
Revenues									
Indigenous Services Canada	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,154,477	\$ 8,340,133	\$ 4,124,127
First Nations Health Authority	-	-	-	-	-	-	1,508,431	1,879,119	1,521,348
Province of BC	-	-	-	-	-	-	1,343,635	2,121,939	1,222,532
First Nations Education Steering Committee	-	-	-	-	-	-	-	66,794	102,527
Rental	-	-	-	-	-	-	-	92,518	58,747
C.C.A.T.E.C.	-	-	-	-	-	-	77,551	77,248	98,210
Interest	-	-	-	-	3,266	4,344	7,500	7,680	12,613
Other revenue	-	269,232	804,947	-	-	-	376,296	1,110,511	2,088,599
Total revenue	-	269,232	804,947	-	3,266	4,344	6,467,890	13,695,942	9,228,703
Expenses									
Contractors	-	-	-	-	-	-	337,725	572,175	667,072
Honoraria	-	-	-	-	-	-	313,900	312,908	383,094
Insurance	-	-	-	-	-	-	40,263	221,777	180,228
Professional fees	-	-	-	-	-	-	147,250	334,535	237,294
Program costs	-	-	-	-	-	-	1,337,440	2,259,870	1,401,552
Supplies	-	-	-	-	-	-	428,100	290,441	604,526
Travel	-	-	-	-	-	-	380,331	227,895	504,269
Wages and benefits	-	-	-	-	-	-	2,066,562	1,853,260	1,940,985
Other expenses	-	-	-	-	-	-	1,038,121	3,234,566	2,627,199
Total expenses	-	-	-	-	-	-	6,089,692	9,307,427	8,546,219
Annual surplus (deficit)	\$ -	\$ 269,232	\$ 804,947	\$ -	\$ 3,266	\$ 4,344	\$ 378,198	\$ 4,388,515	\$ 682,484

