

**Yekooche First Nation
Consolidated Financial Statements**
March 31, 2019

Yekooche First Nation
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For the year ended March 31, 2019

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Management's Responsibility

To the Members of Yekooche First Nation:

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

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

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

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

MNP LLP is appointed by 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 Council and management to discuss their audit findings.

September 26, 2019



Administrator

Independent Auditor's Report

To the Members of Yekooche First Nation:

Opinion

We have audited the consolidated financial statements of Yekooche First Nation (the "First Nation"), which comprise the consolidated statement of financial position as at March 31, 2019, 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.

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, 2019, 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 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 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 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.

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

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

Prince George, British Columbia

September 26, 2019

MNP LLP

Chartered Professional Accountants

MNP
LLP

Yekooche First Nation
Consolidated Statement of Financial Position
As at March 31, 2019

	2019	2018
Financial assets		
Cash resources	3,336,487	1,995,742
Accounts receivable (Note 3)	531,193	269,539
Investment in First Nation business entities (Note 4)	100	137,618
Funds held in trust (Note 5)	19,285	18,328
Total financial assets	3,887,065	2,421,227
Liabilities		
Accounts payable and accruals (Note 6)	447,145	399,379
Deferred revenue (Note 7)	1,094,244	370,514
Term demand loans (Note 8)	1,111,007	1,225,787
Treaty loan payable (Note 9)	7,499,882	7,499,882
Note payable (Note 10)	100,000	150,000
Total liabilities	10,252,278	9,645,562
Net debt	(6,365,213)	(7,224,335)
Contingent liabilities (Note 11)		
Non-financial assets		
Tangible capital assets (Schedule 1)	7,078,975	7,792,052
Prepaid expenses	10,208	9,368
Total non-financial assets	7,089,183	7,801,420
Accumulated surplus (Note 12)	723,970	577,085

Approved on behalf of the Council:

Matthew Joseph

Chief

John Bruneau

Councilor

Mark Johnson

Councilor

John Bruneau

Councilor

Yekooche First Nation
Consolidated Statement of Operations and Accumulated Surplus
For the year ended March 31, 2019

	<i>Schedules</i>	2019 <i>Budget</i> <i>(Note 14)</i>	2019	2018
Revenue				
Indigenous Services Canada (Note 15)		3,496,102	2,823,852	1,820,864
British Columbia Treaty Commission		598,609	598,609	249,000
Other income		609,972	430,968	858,147
First Nation Education Steering Committee		354,282	365,234	396,197
Carrier Sekani Family Services		259,722	332,167	235,114
Province of British Columbia		301,707	309,034	279,531
Rental revenue		199,600	176,502	169,058
Department of Fisheries and Oceans Canada		164,450	164,450	7,000
First Nation Health Authority		122,519	120,567	105,235
Resource industry revenue		15,000	113,333	45,225
Prince George Nechako Aboriginal Employment & Training Association		59,305	59,399	48,223
Interest income		18,000	22,391	16,830
Earnings (loss) from investment in First Nation business entities		-	(137,518)	11,255
		6,199,268	5,378,988	4,241,679
Expenses (Schedule 2)				
Administration	3	935,958	488,618	373,126
Social Development	4	466,316	486,133	450,517
Education	5	1,413,599	1,029,017	1,456,623
Capital	6	1,125,349	1,062,916	1,031,427
Economic Development	7	359,382	265,075	81,790
Operations and Maintenance	8	1,045,404	797,367	610,965
Health	9	332,090	295,213	286,026
Treaty	10	744,689	664,431	929,877
Natural Resources	11	144,311	143,333	20,371
		6,567,098	5,232,103	5,240,722
Annual surplus (deficit)		(367,830)	146,885	(999,043)
Accumulated surplus, beginning of year		577,085	577,085	1,576,128
Accumulated surplus, end of year		209,255	723,970	577,085

Yekooche First Nation
Consolidated Statement of Changes in Net Debt
For the year ended March 31, 2019

	2019 <i>Budget</i> <i>(Note 14)</i>	2019	2018
Annual surplus (deficit)			
Purchases of tangible capital assets	(367,830)	146,885	(999,043)
Amortization of tangible capital assets	(77,000)	(301,903)	(540,812)
Acquisition of prepaid expenses	-	1,014,980	1,022,252
Use of prepaid expenses	-	(840)	-
	(367,830)	146,885	(999,043)
Decrease (increase) in net debt			
Net debt, beginning of year	(7,224,335)	(7,224,335)	(6,719,753)
Net debt, end of year	(7,669,165)	(6,365,213)	(7,224,335)

Yekooche First Nation
Consolidated Statement of Cash Flows
For the year ended March 31, 2019

	2019	2018
Cash provided by (used for) the following activities		
Operating activities		
Annual surplus (deficit)	146,885	(999,043)
Non-cash items:		
Amortization	1,014,980	1,022,252
Decrease in investment in First Nation business entities	137,518	31,960
Increase in funds held in trust	(957)	(935)
	1,298,426	54,234
Changes in working capital accounts:		
Accounts receivable	(261,654)	57,961
Accounts payable and accruals	47,766	36,631
Deferred revenue	723,730	268,866
Prepaid expenses	(840)	13,021
	1,807,428	430,713
Financing activities		
Repayment of term demand loans	(114,780)	(111,903)
Advances of long-term debt	-	341,000
Advances of notes payable	-	150,000
Repayment of notes payable	(50,000)	-
	(164,780)	379,097
Capital activities		
Purchases of tangible capital assets	(301,903)	(540,812)
Increase in cash resources	1,340,745	268,998
Cash resources, beginning of year	1,995,742	1,726,744
Cash resources, end of year	3,336,487	1,995,742

Yekooche First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2019

1. Operations

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

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 consolidated

The financial statements consolidate the financial activities of all entities and departments comprising the First Nation reporting entity, except for First Nation business entities. Trusts administered on behalf of third parties by First Nation are excluded from the First Nation reporting entity. The First Nation has consolidated the assets, liabilities, revenue and expenses of the following entities and departments:

- 0830425 B.C. Ltd.
- Yekooche First Nation Negotiation Support Agreement (Treaty)

First Nation business entities, owned or controlled by the First Nation's Council but not dependent on the First Nation 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 First Nation. Thus, the First Nation'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:

- Ruby Rock Joint Venture

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.

Tangible capital assets

Tangible capital assets exceeding \$5,000 are recorded at cost less accumulated amortization. Contributed tangible capital assets are recorded at their fair value at the date of contribution.

Amortization

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

Amortization is provided on a straight-line basis over the estimated useful life of the assets. In the year of acquisition amortization is taken at one-half of the rates. See below for amortization rates of specific asset categories.

Equipment	4 years
Computer hardware and software	4 years
Housing	15 years
Buildings	5-20 years
Roadways and bridges	20 years
Water and sewer	20 years
Automotive	30 years

Yekooche First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2019

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

Funds held in trust

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

Net debt

The First Nation's consolidated financial statements are presented so as to highlight net financial debt as the measurement of consolidated financial position. The net financial debt of the First Nation is determined by its financial assets less its liabilities. Net financial debt combined with non-financial assets comprise a second indicator of financial position, 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

Government funding

The First Nation 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 First Nation recognizes revenue as the liability is settled. Transfers of non-depreciable assets are recognized in revenue when received or receivable.

Rental revenue

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.

Trust fund revenue

The First Nation recognizes revenue of the Revenue Trust Fund at the time funds are contributed from the accounts held in Ottawa. Interest revenue is recognized when earned.

Other income

Other income is recognized when performance is achieved, amounts are reasonably estimated and collection is reasonably assured.

Yekooche First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2019

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

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. Liabilities for contaminated sites are estimated based on their best information available regarding potentially contaminated sites that the Nation is responsible for.

These estimates are reviewed periodically and, as adjustments become necessary, they are reported in the consolidated statement of operations and accumulated surplus in the periods in which they become known.

Long-lived assets

Long-lived assets consist of tangible capital assets with finite useful lives. Long-lived assets held for use are measured and amortized as described in the applicable accounting policies.

The First Nation performs impairment testing on long-lived assets held for use whenever events or changes in circumstances indicate that the carrying amount of an asset, or group of assets, may not be recoverable. Impairment losses are recognized when an asset's services potential is reduced. Impairment is measured as the amount by which the asset's carrying amount exceeds its fair value. Any impairment is included in operations for the year. Prices for similar items are used to measure fair value of long-lived assets.

The First Nation does not perform impairment testing on its long-lived assets that are held for public administration and situated on its reserve land as it is not possible to determine their fair market value.

Segments

The First Nation conducts its business through a number of reportable segments as described in Note 15. These operating segments are established by senior management to facilitate the achievement of the First Nation'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, as disclosed in Note 2 *Significant accounting policies*.

Liability for contaminated sites

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 First Nation 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, 2019.

At each financial reporting date, the First Nation 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 First Nation 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, 2019 no liability for contaminated sites exists.

Yekooche First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2019

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

Change in accounting policy

PS 3430 Restructuring Transactions

Effective April 1, 2018, the First Nation adopted the recommendations relating to *PS 3430 Restructuring Transactions* as set out in the CPA Canada Public Sector Accounting Handbook. The main features of this standard are as follows:

- A restructuring transaction is defined as a transfer of an integrated set of assets and/or liabilities, together with related program or operating responsibilities that does not involve an exchange of consideration.
- Individual assets and liabilities transferred in a restructuring transaction are derecognized by the transferor at their carrying amount and recognized by the recipient at their carrying amount with applicable adjustments.

There was no material impact on the consolidated financial statements of adopting the new section.

3. Accounts receivable

	2019	2018
Indigenous Services Canada	51,780	1,770
GST receivable	126,621	88,437
<u>Other receivables</u>	<u>352,792</u>	<u>179,332</u>
	531,193	269,539

Yekooche First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2019

4. Investment in First Nation business entities

The First Nation has investments in the following entities:

	<i>Investment</i>	<i>Cumulative share of earnings (loss)</i>	<i>Total investment</i>	<i>2019</i>
First Nation Business Partnership – Modified Equity:				
Ruby Rock Joint Venture - 50%	100	-	100	2018
First Nation Business Partnership – Modified Equity:				
Ruby Rock Joint Venture - 50%	100	137,518	137,618	2018

Summary financial information for the First Nation business partnership, accounted for using the modified equity method, for its April 30, 2018 year end is as follows:

As at March 31, 2019 it was determined that the earnings from investment in Ruby Rock Joint Venture was unlikely to be collected and has been written down to the investment cost.

<i>Ruby Rock Joint Venture</i> <i>As at April 30, 2018</i> <i>(Unaudited)</i>	
Assets	
Cash	4,703
Deposit	7,357
Due from related parties	<u>239,751</u>
Total assets	<u>251,811</u>
Liabilities	
Accounts payable	<u>2,510</u>
Total liabilities	<u>2,510</u>
Venturers' equity	<u>249,301</u>
Total revenue	378
Total expenses	<u>2,167</u>
Net loss	<u>(1,789)</u>

Yekooche First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2019

5. Funds held in trust

Revenue trust money is transferred to the First Nation on the authorization of the Minister of Indigenous Services Canada, with the consent of the First Nation's Council.

	2019	2018
Revenue Trust		
Balance, beginning of year	18,328	17,393
Interest	425	398
BC Special	532	537
 Balance, end of year	 19,285	 18,328

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 the audit by the Office of the Auditor General of Canada. The management of these funds is primarily governed by Sections 63 to 69 of the *Indian Act*.

6. Accounts payable and accruals

	2019	2018
Trade payables	252,787	211,208
Wages payable	99,355	98,653
Government remittances payable	29,124	13,761
Accruals and other payables	65,879	75,757
 	 447,145	 399,379

7. Deferred revenue

	2019	2018
Indigenous Services Canada - capital funding	57,399	57,399
Indigenous Services Canada - capital project ICMS 9-00126703	792,030	-
Indigenous Services Canada - capital project CPMS 8611	224,815	225,115
External funding	20,000	20,000
Indigenous Services Canada - capital project ICMS 9-00126694	-	50,000
Indigenous Services Canada - capital project ICMS 9-00126999	-	18,000
 	 1,094,244	 370,514

Yekooche First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2019

8. Term demand loans

	2019	2018
Royal Bank of Canada (Phase 1)		
- Interest at 3.29% per annum, compounded monthly		
- Monthly blended payments of \$3,532		
- Maturity date of January 2023		
- Secured by Government of Canada ministerial guarantee		
- Loan is callable on demand	321,338	353,134
Royal Bank of Canada (Phase 2)		
- Interest at 2.64% per annum, compounded monthly		
- Monthly blended payments of \$3,951		
- Maturity date of April 2023		
- Secured by Government of Canada ministerial guarantee		
- Loan is callable on demand	304,379	343,204
Royal Bank of Canada (Phase 3)		
- Interest at 2.26% per annum, compounded monthly		
- Monthly blended payments of \$2,307		
- Maturity date of April 2020		
- Secured by Government of Canada ministerial guarantee		
- Loan is callable on demand	270,560	291,871
Royal Bank of Canada (Phase 5)		
- Interest at 2.13% per annum, compounded monthly		
- Monthly blended payments of \$451		
- Maturity date of September 2021		
- Secured by Government of Canada ministerial guarantee		
- Loan is callable on demand	42,338	46,798
Royal Bank of Canada (Phase 6)		
- Interest at 2.13% per annum, compounded monthly		
- Monthly blended payments of \$1,019		
- Maturity date of September 2021		
- Secured by Government of Canada ministerial guarantee		
- Loan is callable on demand	94,614	104,706
Royal Bank of Canada (Phase 7)		
- Interest at 2.13% per annum, compounded monthly		
- Monthly blended payments of \$837		
- Maturity date of September 2021		
- Secured by Government of Canada ministerial guarantee		
- Loan is callable on demand	77,778	86,074
	1,111,007	1,225,787

Yekooche First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2019

7. Term demand loans *(Continued from previous page)*

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

2019	117,686
2020	120,644
2021	123,677
2022	126,788
<u>2023</u>	<u>129,978</u>
	618,773
<u>Thereafter</u>	<u>492,234</u>
	1,111,007

9. Treaty loan payable

Treaty Negotiation Loan Agreement

The Yekooche First Nation had signed loan agreements representing advances made by Canada for negotiation.

The loan is due and payable to Canada, and the First Nation will pay the loan to Canada, on the earliest of the following dates:

- a) the date a treaty is signed by the negotiating parties takes effect unless otherwise agreed in the treaty;
- b) the later of:
 - i) the twelfth anniversary of the date of the first loan advances by Canada, to the First Nation under the earliest First Nation Funding agreement, which occurred on September 7, 1995; or
 - ii) the extended due date of September 22, 2022; or
- d) the date the Federal Minister demands payment of the loan due to an event of default under this agreement or under any First Nation Funding Agreement.

10. Note payable

	2019	2018
Vendor take-back mortgage, non-interest bearing, payable in annual instalments of \$50,000, secured by land with net book value of \$511,527, maturing December 2020	<u>100,000</u>	<u>150,000</u>

11. Contingent liabilities

Under the terms of agreements with Indigenous Services Canada and other government agencies, certain surpluses may be recoverable and so repayable to the government. The amount of the liability for the current year, if any, of the First Nation is not determinable at this time.

The First Nation has been granted Forest Licence A71378 by the Province of British Columbia. The First Nation, for consideration received, relinquished all interest in the forest license to Vesco Contracting Ltd., an unrelated entity, and Vesco Contracting Ltd. has agreed to assume all regulatory and license requirements which apply to the license. The amount of the liability the First Nation may have, if any, with respect to any terms and conditions of the license as the named licensee is not determinable at this time.

Yekooche First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2019

12. Accumulated surplus

Accumulated surplus consists of the following:

	2019	2018
Equity in Ottawa Trust Fund	19,285	18,328
Deficit in operating fund	(5,203,583)	(6,035,327)
Equity in tangible capital assets	5,867,968	6,416,266
Internally restricted - capital	40,200	40,200
Investment in business entity	100	137,618
	<hr/> 723,970	<hr/> 577,085

13. Economic dependence

The First Nation 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 First Nation to continue operations is dependent upon the Government of Canada's continued financial commitments as guaranteed by these agreements.

14. Budget information

The disclosed budget information has been approved by Chief and Council of the First Nation at the Chief and Council meeting held on July 19, 2018. The budget information on the Consolidated Statement of Operations and Accumulated Surplus is presented using the same accounting policies as the actual results. A reconciliation from those results to the surplus amount budgeted by the Chief and Council is included below:

Budgeted deficit per Consolidated Statement of Operations and Accumulated Surplus	\$ (367,830)
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Adjusted for:

Equipment purchases	(77,000)
Opening surplus as budgeted by Chief and Council	<u>2,374,484</u>
Annual surplus as approved by Chief and Council	<u>\$ 1,929,654</u>

Yekooche First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2019

15. Indigenous Services Canada ("ISC") funding reconciliation

	2019	2018
Direct band funding		
ISC revenue per confirmation	3,547,882	2,113,679
Prior year deferred capital funding recognized	68,000	-
Deferred revenue for capital projects	(792,030)	(292,815)
 ISC revenue per financial statements	 2,823,852	 1,820,864

16. Segments

The First Nation receives revenue and incurs expenses from many different projects and sources. For management and reporting purposes, the revenues, expenses and surpluses or deficits are organized by the following segments:

Administration

Includes general operations, support, and financial management of the First Nation.

Social Development

Includes revenue and expenses relating to the social assistance of the members of the First Nation.

Education

Includes revenue and expenses related to primary, secondary and post secondary education of the members of the First Nation.

Capital

Includes revenue and expenses related to capital projects.

Economic development

Includes activities related to the growth of revenue production projects with the First Nation.

Operations & Maintenance

Includes the maintenance of infrastructure owned by the First Nation.

Health

Includes activities related to the provision of health services within the First Nation.

Treaty

Includes revenue and expenses related to programs put on to support the First Nation's treaty negotiation activities.

Natural Resources

Includes revenue and expenses related to conservation and stewardship of the First Nation's land and resources.

Trust Fund

Includes revenue and expenses relating to the Ottawa Trust Fund held on behalf of the First Nation.

17. Comparative figures

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

Yekooche First Nation
Schedule 1 - Consolidated Schedule of Tangible Capital Assets

For the year ended March 31, 2019

	<i>Equipment</i>	<i>Computer hardware and software</i>	<i>Housing</i>	<i>Buildings</i>	<i>Roads and bridges</i>	<i>Water and sewer</i>	<i>Subtotal</i>
Cost							
Balance, beginning of year	197,334	141,287	3,900,429	9,638,916	1,676,111	5,158,577	20,712,654
Acquisition of tangible capital assets	31,153	-	-	225,409	-	-	256,562
Balance, end of year	228,487	141,287	3,900,429	9,864,325	1,676,111	5,158,577	20,969,216
Accumulated amortization							
Balance, beginning of year	195,310	130,036	3,089,638	6,669,422	1,058,952	2,351,934	13,495,292
Annual amortization	2,613	4,989	252,602	411,051	83,806	256,188	1,011,249
Balance, end of year	197,923	135,025	3,342,240	7,080,473	1,142,758	2,608,122	14,506,541
Net book value of tangible capital assets							
2018 Net book value of tangible capital assets	2,024	810,791	11,251	2,969,494	617,159	2,806,643	7,217,362

Yekooche First Nation
Schedule 1 - Consolidated Schedule of Tangible Capital Assets
For the year ended March 31, 2019

	<i>Subtotal</i>	<i>Automotive</i>	<i>Land</i>	<i>2019</i>	<i>2018</i>
Cost					
Balance, beginning of year	20,712,654	69,098	509,048	21,290,800	20,749,988
Acquisition of tangible capital assets	256,562	42,861	2,480	301,903	540,812
Balance, end of year	20,969,216	111,959	511,528	21,592,703	21,290,800
Accumulated amortization					
Balance, beginning of year	13,495,292	3,456	-	13,498,748	12,476,496
Annual amortization	1,011,249	3,731	-	1,014,980	1,022,252
Balance, end of year	14,506,541	7,187	-	14,513,728	13,498,748
Net book value of tangible capital assets					
2018 Net book value of tangible capital assets	6,462,675	104,772	511,528	7,078,975	7,792,052
	7,217,362	65,642	509,048	7,792,052	

Yekooche First Nation
Schedule 2 - Consolidated Schedule of Expenses by Object
For the year ended March 31, 2019

	2019 <i>Budget</i> <i>(Note 14)</i>	2019	2018
Consolidated expenses by object			
Wages and benefits	1,955,396	1,749,685	1,802,103
Sub-contracts	1,495,393	366,139	318,607
Travel	373,200	326,093	267,451
Professional fees	241,309	215,179	244,326
Consulting fees	319,300	214,506	290,019
Repairs and maintenance	445,512	183,903	217,933
Social assistance	161,328	178,046	162,039
Other expenses	248,987	163,052	295,064
Office	137,650	134,163	162,149
Supplies	187,292	115,575	99,703
Rental	158,111	114,168	71,728
Utilities	93,700	100,734	89,338
Telephone	85,140	65,315	82,557
Meal program	56,232	53,367	59,155
Honoraria	102,500	43,560	39,600
Training	47,366	38,723	25,871
Insurance	43,793	37,435	38,986
Interest on debt	150,000	30,380	34,904
Workshops and meetings	43,715	26,996	22,806
Member services	31,659	26,678	20,520
Tuition and student expenses	16,209	14,012	12,655
Renovation materials	13,969	13,970	-
Interest and bank charges	5,300	7,749	8,021
Licenses and memberships	825	805	5,053
Administration fee (recovery)	153,212	(3,110)	(152,118)
Amortization	-	1,014,980	1,022,252
	6,567,098	5,232,103	5,240,722

Yekooche First Nation
Administration
Schedule 3 - Consolidated Schedule of Revenue and Expenses
For the year ended March 31, 2019

	2019 Budget (Note 14)	2019	2018
Revenue			
Indigenous Services Canada	705,248	705,248	223,029
Other income	91,000	116,707	149,659
Interest income	18,000	21,405	15,895
Resource industry revenue	15,000	15,000	-
Rental revenue	3,600	1,800	1,800
	832,848	860,160	390,383
Expenses			
Wages and benefits	535,635	437,003	422,891
Travel	45,555	57,978	21,381
Rental	69,529	42,294	9,801
Professional fees	42,000	40,000	30,000
Office	56,400	39,915	27,563
Sub-contracts	85,000	25,275	7,343
Consulting fees	98,000	22,000	-
Supplies	45,800	18,078	835
Workshops and meetings	16,000	11,704	2,483
Amortization	-	8,721	8,109
Interest and bank charges	5,000	7,679	8,017
Telephone	14,000	5,359	14,229
Other expenses	5,000	4,060	12,196
Insurance	1,200	1,408	208
Licenses and memberships	125	549	659
Training	-	95	-
Repairs and maintenance	3,000	-	80
Honoraria (recovery)	34,000	(9,900)	2,700
Administration fee (recovery)	(120,286)	(223,600)	(195,369)
	935,958	488,618	373,126
Annual surplus (deficit)	(103,110)	371,542	17,257

Yekooche First Nation
Social Development
Schedule 4 - Consolidated Schedule of Revenue and Expenses
For the year ended March 31, 2019

	2019 <i>Budget</i> <i>(Note 14)</i>	2019	2018
Revenue			
Indigenous Services Canada	253,449	253,449	225,128
First Nation Health Authority	86,841	86,841	71,841
Other income	73,000	63,530	75,850
Province of British Columbia	62,026	60,853	60,813
	475,316	464,673	433,632
Expenses			
Social assistance	161,328	178,046	162,039
Wages and benefits	166,443	177,610	187,618
Meal program	27,982	28,533	15,433
Rental	20,400	21,500	11,900
Administration fee	20,011	20,011	21,578
Office	22,000	17,347	18,150
Other expenses	13,553	12,798	10,201
Travel	13,600	10,415	9,121
Training	6,000	6,949	558
Telephone	6,000	6,000	2,940
Supplies	4,874	3,917	2,761
Workshops and meetings	3,125	1,625	-
Sub-contracts	-	1,382	75
Repairs and maintenance	-	-	116
Licenses and memberships	-	-	95
Member services	-	-	6,712
Honoraria	1,000	-	1,000
Insurance	-	-	220
	466,316	486,133	450,517
Annual deficit before transfers	9,000	(21,460)	(16,885)
Transfers	-	-	10,000
Annual deficit	9,000	(21,460)	(6,885)

Yekooche First Nation
Education
Schedule 5 - Consolidated Schedule of Revenue and Expenses
For the year ended March 31, 2019

	2019 <i>Budget</i> <i>(Note 14)</i>	2019	2018
Revenue			
Indigenous Services Canada	947,235	947,235	884,722
First Nation Education Steering Committee	354,282	365,234	395,797
Prince George Nechako Aboriginal Employment & Training Association	59,305	59,399	48,223
Other income	3,000	867	120,929
Carrier Sekani Family Services	-	-	13,354
	1,363,822	1,372,735	1,463,025
Expenses			
Wages and benefits	593,177	572,699	624,204
Other expenses	208,184	125,701	255,317
Administration fee	125,909	120,716	105,908
Travel	65,853	65,418	66,977
Supplies	41,976	32,659	43,222
Training	37,566	28,996	24,002
Telephone	24,000	24,000	32,400
Meal program	26,250	23,050	38,015
Sub-contracts	25,715	11,150	35,959
Tuition and student expenses	11,000	10,081	4,895
Rental	8,247	6,937	14,363
Professional fees	5,000	3,099	-
Honoraria	13,000	2,500	4,450
Office	4,000	1,948	21,876
Workshops and meetings	2,500	63	4,238
Repairs and maintenance	221,222	-	180,797
	1,413,599	1,029,017	1,456,623
Annual surplus (deficit)	(49,777)	343,718	6,402

Yekooche First Nation
Capital
Schedule 6 - Consolidated Schedule of Revenue and Expenses
For the year ended March 31, 2019

	2019 <i>Budget</i> <i>(Note 14)</i>	2019	2018
Revenue			
Indigenous Services Canada	1,349,442	627,192	37,625
Expenses			
Amortization	-	1,003,646	1,011,894
Sub-contracts	1,075,092	46,732	18,948
Supplies (recovery)	14,234	8,169	(180)
Administration fee	33,023	2,500	765
Travel	2,000	1,000	-
Utilities	1,000	869	-
	1,125,349	1,062,916	1,031,427
Annual surplus (deficit)	224,093	(435,724)	(993,802)

Yekooche First Nation
Economic Development
Schedule 7 - Consolidated Schedule of Revenue and Expenses
For the year ended March 31, 2019

	2019 Budget (Note 14)	2019	2018
Revenue			
Province of British Columbia	239,681	248,181	168,718
Resource industry revenue	-	98,333	45,225
Indigenous Services Canada	12,017	12,017	62,095
Other income	6,500	8,968	122,521
Interest income	-	28	-
Earnings (loss) from investment in First Nation business entities	-	(137,518)	11,255
	258,198	230,009	409,814
Expenses			
Wages and benefits	154,289	87,577	111,143
Consulting fees	86,400	67,686	37,648
Administration fee (recovery)	26,720	25,670	(142,223)
Member services	25,000	22,910	10,128
Sub-contracts	21,598	21,598	17,714
Travel	6,961	13,808	14,653
Rental	7,200	7,200	6,000
Repairs and maintenance	10,000	6,053	4,057
Office	2,400	3,600	3,000
Professional fees	-	2,514	11,326
Supplies	5,000	1,870	248
Honoraria	2,900	1,800	1,500
Telephone	1,440	1,440	1,080
Workshops and meetings	6,000	1,049	911
Insurance	3,174	228	166
Interest and bank charges	300	72	4
Utilities	-	-	60
Other expenses	-	-	425
Licenses and memberships	-	-	3,950
	359,382	265,075	81,790
Annual surplus (deficit) before transfers	(101,184)	(35,066)	328,024
Transfers	-	-	(22,500)
Annual surplus (deficit)	(101,184)	(35,066)	305,524

Yekooche First Nation
Operations and Maintenance
Schedule 8 - Consolidated Schedule of Revenue and Expenses
For the year ended March 31, 2019

	2019 Budget (Note 14)	2019	2018
Revenue			
Other income	416,772	212,666	358,773
Indigenous Services Canada	138,242	188,242	136,401
Rental revenue	196,000	174,702	167,258
Carrier Sekani Family Services	-	-	5,000
	751,014	575,610	667,432
Expenses			
Repairs and maintenance	211,290	177,849	32,883
Sub-contracts	199,638	177,769	163,119
Wages and benefits	155,129	132,293	91,956
Utilities	92,700	99,865	89,278
Office	26,000	44,942	75,419
Insurance	39,019	35,409	38,392
Interest on long-term debt	150,000	30,380	34,904
Rental	42,700	26,102	20,753
Supplies	46,300	22,160	19,485
Telephone	32,500	21,316	25,429
Travel	25,663	19,206	3,842
Administration fee	22,825	9,125	14,000
Workshops and meetings	1,340	348	-
Other expenses	300	303	1,505
Honoraria	-	300	-
	1,045,404	797,367	610,965
Annual surplus (deficit) before transfers	(294,390)	(221,757)	56,467
Transfers	-	-	12,500
Annual surplus (deficit)	(294,390)	(221,757)	68,967

Yekooche First Nation
Health
Schedule 9 - Consolidated Schedule of Revenue and Expenses
For the year ended March 31, 2019

	2019 Budget (Note 14)	2019	2018
Revenue			
Carrier Sekani Family Services	259,722	332,167	216,760
First Nation Health Authority	35,678	33,726	33,394
Other income	10,200	16,994	21,873
First Nation Education Steering Committee	-	-	400
	305,600	382,887	272,427
Expenses			
Wages and benefits	181,054	160,056	171,037
Administration fee	34,610	33,710	26,016
Travel	34,000	31,137	28,838
Supplies	21,358	20,518	22,597
Other expenses	21,950	20,190	15,421
Sub-contracts	10,000	9,051	-
Tuition and student expenses	5,209	3,931	7,759
Member services	6,659	3,768	3,680
Telephone	3,600	3,600	1,800
Workshops and meetings	6,000	3,457	1,975
Honoraria	2,000	2,160	600
Meal program	2,000	1,784	5,707
Training	2,000	883	219
Office	1,050	712	28
Licenses and memberships	600	256	349
	332,090	295,213	286,026
Annual surplus (deficit)	(26,490)	87,674	(13,599)

Yekooche First Nation
Treaty
Schedule 10 - Consolidated Schedule of Revenue and Expenses
For the year ended March 31, 2019

	2019 <i>Budget</i> <i>(Note 14)</i>	2019	2018
Revenue			
British Columbia Treaty Commission	598,609	598,609	249,000
Indigenous Services Canada	90,469	90,469	251,864
Province of British Columbia	-	-	50,000
	689,078	689,078	550,864
Expenses			
Professional fees	194,309	169,566	203,000
Consulting fees	134,900	124,820	252,371
Wages and benefits	109,911	124,513	186,768
Travel	161,734	109,596	117,272
Sub-contracts	59,150	53,797	75,450
Honoraria	49,600	46,700	29,350
Office	16,200	16,099	16,111
Workshops and meetings	8,750	8,750	13,200
Supplies	3,900	4,355	10,519
Telephone	3,600	3,600	3,600
Rental	2,635	2,635	5,912
Administration fee	-	-	15,232
Training	-	-	1,092
	744,689	664,431	929,877
Annual surplus (deficit)	(55,611)	24,647	(379,013)

Yekooche First Nation
Natural Resources
Schedule 11 - Consolidated Schedule of Revenue and Expenses
For the year ended March 31, 2019

	2019 Budget (Note 14)	2019	2018
Revenue			
Department of Fisheries and Oceans Canada	164,450	164,450	7,000
Other income	9,500	11,236	8,543
	173,950	175,686	15,543
Expenses			
Wages and benefits	59,756	57,934	6,486
Sub-contracts	19,200	19,386	-
Travel	19,636	17,535	5,366
Renovation materials	13,969	13,970	-
Office	9,600	9,600	-
Administration fee	8,700	8,757	1,975
Rental	7,400	7,500	3,000
Supplies	3,850	3,849	215
Amortization	-	2,612	2,249
Training	1,800	1,800	-
Insurance	400	390	-
Telephone	-	-	1,080
	144,311	143,333	20,371
Annual surplus (deficit)	29,639	32,353	(4,828)

Yekooche First Nation
Trust Fund
Schedule 12 - Consolidated Schedule of Revenue and Expenses
For the year ended March 31, 2019

	2019 <i>Budget</i> <i>(Note 14)</i>	2019	2018
Revenue			
Interest income	-	958	935
Annual surplus (deficit)	-	958	935