

Yekooche First Nation
Consolidated Financial Statements
March 31, 2020

Yekooche First Nation

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For the year ended March 31, 2020

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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 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 is also responsible for recommending the appointment of the Nation's external auditor.

MNP LLP is appointed by the Members to audit the consolidated financial statements and report directly to them; their report follows. The external auditor have full and free access to, and meet periodically with, both the Chief and Council and management to discuss their audit findings.

August 26, 2021



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, 2020, 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, 2020, and the results of its consolidated operations and its consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the 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

August 26, 2021

MNP LLP

Chartered Professional Accountants


Yekooche First Nation

Consolidated Statement of Financial Position

As at March 31, 2020

	2020	2019
Financial assets		
Cash resources (Note 3)	666,636	3,336,487
Accounts receivable (Note 4)	580,562	531,193
Investment in First Nation business entity (Note 5)	100	100
Funds held in trust (Note 6)	20,132	19,285
Total financial assets	1,267,430	3,887,065
Liabilities		
Bank indebtedness	142,578	-
Accounts payable and accruals (Note 7)	637,064	447,145
Deferred revenue (Note 8)	20,319	1,094,244
Term demand loans (Note 9)	1,248,372	1,111,007
Treaty loan (Note 10)	-	7,499,882
Note payable (Note 11)	50,000	100,000
Total liabilities	2,098,333	10,252,278
Net debt	(830,903)	(6,365,213)
Contingent liabilities (Note 12)		
Subsequent event (Note 13)		
Non-financial assets		
Tangible capital assets (Note 20) (Schedule 1)	8,438,249	7,078,975
Prepaid expenses	64,956	10,208
Total non-financial assets	8,503,205	7,089,183
Accumulated surplus (Note 14)	7,672,302	723,970

Approved on behalf of the Chief and Council:


Chief
Councilor


Councilor

Councilor

Yekooche First Nation
Consolidated Statement of Operations and Accumulated Surplus
For the year ended March 31, 2020

	<i>Schedules</i>	<i>2020 Budget (Note 16)</i>	<i>2020</i>	<i>2019</i>
Revenue				
Treaty forgiveness (Note 10)		-	7,499,882	-
Indigenous Services Canada (Note 17)		2,581,241	2,639,739	2,823,852
Province of British Columbia		639,849	639,849	309,034
British Columbia Treaty Commission		600,000	600,000	598,609
Other income		497,774	495,847	427,418
Carrier Sekani Family Services		261,930	261,930	332,167
Rental revenue		196,800	207,788	176,502
First Nation Education Steering Committee		270,509	198,652	365,234
First Nation Health Authority		109,049	115,384	118,117
Department of Fisheries and Oceans Canada		77,500	77,500	164,450
Prince George Nechako Aboriginal Employment & Training Association		75,288	75,288	59,399
Resource industry revenue		72,800	72,800	113,333
Interest income		21,000	35,039	22,391
Gain (loss) from investment in First Nation business entities		-	-	(137,518)
		5,403,740	12,919,698	5,372,988
Expenses (Schedule 2)				
Administration	3	1,111,941	769,556	488,616
Social Development	4	643,446	598,394	612,924
Education	5	1,442,867	1,068,791	1,029,017
Capital	6	3,264,896	1,580,681	1,361,289
Economic Development	7	637,730	533,741	265,075
Operations and Maintenance	8	258,452	360,324	361,154
Health	9	432,500	420,906	300,264
Treaty	10	680,257	548,811	664,431
Natural Resources	11	90,466	90,162	143,333
		8,562,555	5,971,366	5,226,103
Annual surplus (deficit)		(3,158,815)	6,948,332	146,885
Accumulated surplus, beginning of year		723,970	723,970	577,085
Accumulated surplus, end of year		(2,434,845)	7,672,302	723,970

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

Yekooche First Nation
Consolidated Statement of Changes in Net Debt
For the year ended March 31, 2020

	<i>2020 Budget (Note 16)</i>	<i>2020</i>	<i>2019</i>
Annual surplus (deficit)	(3,158,815)	6,948,332	146,885
Purchases of tangible capital assets	-	(2,395,948)	(301,903)
Amortization of tangible capital assets	-	1,036,674	1,014,980
Acquisition of prepaid expenses	-	(54,748)	(840)
Decrease (Increase) in net debt	(3,158,815)	5,534,310	859,122
Net debt, beginning of year	(6,365,213)	(6,365,213)	(7,224,335)
Net debt, end of year	(9,524,028)	(830,903)	(6,365,213)

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

Yekooche First Nation
Consolidated Statement of Cash Flows
For the year ended March 31, 2020

	2020	2019
Cash provided by (used for) the following activities		
Operating activities		
Annual surplus	6,948,332	146,885
Non-cash items:		
Amortization	1,036,674	1,014,980
Decrease in investment in First Nation business entities	-	137,518
Increase in funds held in trust	(847)	(957)
Treaty loan forgiveness	(7,499,882)	-
	484,277	1,298,426
Changes in working capital accounts:		
Accounts receivable	(49,369)	(261,654)
Accounts payable and accruals	189,919	47,766
Deferred revenue	(1,073,925)	723,730
Prepaid expenses	(54,748)	(840)
	(503,846)	1,807,428
Financing activities		
Advances of term demand loans	252,500	-
Repayment of term demand loans	(115,135)	(114,780)
Increase in bank indebtedness	142,578	-
Repayment of notes payable	(50,000)	(50,000)
	229,943	(164,780)
Capital activities		
Purchases of tangible capital assets	(2,395,948)	(301,903)
Increase (decrease) in cash	(2,669,851)	1,340,745
Cash resources, beginning of year	3,336,487	1,995,742
Cash resources, end of year	666,636	3,336,487

Yekooche First Nation

Notes to the Consolidated Financial Statements

For the year ended March 31, 2020

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 First Nation's members, government and all related entities that are accountable to the First Nation and are either owned or controlled by the First 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 entities 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.

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

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 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.

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.

Yekooche First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2020

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

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 18. 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, 2020.

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, 2020 no liability for contaminated sites exists.

3. Cash resources

Included in cash resources is \$249,804 related restricted funds from BC Gaming.

4. Accounts receivable

	2020	2019
Indigenous Services Canada	89,427	51,780
GST receivable	81,912	126,621
Other receivables	409,223	352,792
	580,562	531,193

Yekooche First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2020

5. Investment in First Nation business entity

The First Nation has investments in the following entity:

	<i>Investment cost</i>	<i>Cumulative share of earnings</i>	<i>2020 Total investment</i>
First Nation Business Partnership – Modified Equity:			
Ruby Rock Joint Venture - 50%	100	-	100

	<i>Investment cost</i>	<i>Cumulative share of earnings</i>	<i>2019 Total investment</i>
First Nation Business Partnership – Modified Equity:			
Ruby Rock Joint Venture - 50%	100	-	100

6. 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.

	<i>2020</i>	<i>2019</i>
Revenue Trust		
Balance, beginning of year	19,285	18,328
Interest	315	425
BC Special	532	532
Balance, end of year	20,132	19,285

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*.

7. Accounts payable and accruals

	<i>2020</i>	<i>2019</i>
Trade payables	234,613	252,786
Wages payable	94,960	99,355
Government remittances payable	10,040	29,125
Accruals and other payables	297,451	65,879
	637,064	447,145

Yekooche First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2020

8. Deferred revenue

	2020	2019
Indigenous Services Canada - capital funding	-	57,399
Indigenous Services Canada - capital project ICMS 9-00126703	-	792,030
Indigenous Services Canada - capital project CPMS 8611	-	224,815
External funding	20,319	20,000
	20,319	1,094,244

9. Term demand loans

	2020	2019
Royal Bank of Canada (Phase 1) - loan repayable in monthly blended payments of \$3,951 including interest of 2.64% per annum, compounded monthly with a maturity date of April 2021 and secured by a Government of Canada ministerial guarantee, callable on demand	265,743	304,379
Royal Bank of Canada (Phase 2) - loan repayable in monthly blended payments of \$3,531 including interest of 3.29% per annum, compounded monthly with a maturity date of January 2023 and secured by a Government of Canada ministerial guarantee, callable on demand	289,813	321,338
Royal Bank of Canada - loan repayable in monthly blended payments of \$846 including interest of prime plus 0.5% per annum, compounded monthly with a maturity date of March 2022 and secured by a building with a net book value of \$663,587	252,500	-
Royal Bank of Canada (Phase 3) - loan repayable in monthly blended payments of \$2,307 including interest of 2.26% per annum, compounded monthly with a maturity date of April 2020, subsequently renewed, and secured by a Government of Canada ministerial guarantee, callable on demand	248,838	270,560
Royal Bank of Canada (Phase 6) - loan repayable in monthly blended payments of \$1,019 including interest of 2.13% per annum, compounded monthly with a maturity date of September 2021 and secured by a Government of Canada ministerial guarantee, callable on demand	84,541	94,614
Royal Bank of Canada (Phase 7) - loan repayable in monthly blended payments of \$837 including interest of 2.13% per annum, compounded monthly with a maturity date of September 2021 and secured by a Government of Canada ministerial guarantee, callable on demand	69,497	77,778
Royal Bank of Canada (Phase 5) - loan repayable in monthly blended payments of \$451 including interest of 2.13% per annum, compounded monthly with a maturity date of September 2021 and secured by a Government of Canada ministerial guarantee, callable on demand	37,440	42,338
	1,248,372	1,111,007

Yekooche First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2020

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

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

	Principal
2021	130,795
2022	133,828
2023	136,939
2024	140,129
2025	143,399
	<hr/> 685,090
Thereafter	<hr/> 563,282

Interest on long-term debt amounted to \$30,025 (2019 - \$30,380). Prime rate of 2.45% as at March 31, 2020 (3.95% - March 31, 2019).

10. Treaty loan

Comprehensive land claim negotiation debt owed to Canada by Yekooche First Nation of \$7,499,882 has been forgiven, effective March 31, 2020.

11. Note payable

	2020	2019
Vendor take-back mortgage, non-interest bearing, payable in annual instalments of \$50,000, secured by land with net book value of \$511,528, maturing December 2020	<hr/> 50,000	100,000

12. 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 License 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.

The First Nation is in a current dispute with Murray Restorations Ltd. for \$713,650 plus interest for the alleged work and services provided in connection with the Tiny Homes Contract. At this time, it is not determinable if the Nation will be responsible to provide Murray Restorations Ltd. with this amount.

13. Subsequent event

Subsequent to year-end, there was a global outbreak of COVID-19 (coronavirus), which has had a significant impact on businesses through the restrictions put in place by the Canadian, provincial and municipal governments regarding travel, business operations and isolation/quarantine orders. At this time, it is unknown the extent of the impact the COVID-19 outbreak may have on the First Nation as this will depend on future developments that are highly uncertain and that cannot be predicted with confidence. These uncertainties arise from the inability to predict the ultimate geographic spread of the disease, 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.

Yekooche First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2020

14. Accumulated surplus

Accumulated surplus consists of the following:

	2020	2019
Equity in Ottawa Trust Fund	20,132	19,285
Surplus (deficit) in operating fund	471,993	(5,203,583)
Equity in tangible capital assets	7,139,877	5,867,968
Internally restricted - capital	40,200	40,200
Investment in business entity	100	100
	7,672,302	723,970

15. 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.

16. 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 March 25, 2019. 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	\$ (3,158,815)
Adjusted for:	
Opening surplus as budgeted by Chief and Council	<u>(950,995)</u>
Annual deficit as approved by Chief and Council	<u>\$ (4,109,810)</u>

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

	2020	2019
Direct nation funding		
ISC revenue per confirmation	1,789,211	3,547,882
Prior year deferred capital funding recognized	850,722	68,000
Deferred revenue for capital projects	-	(792,030)
ISC reimbursements from 2017/2018	16,718	-
ISC recoveries from 2019/2020	(16,912)	-
ISC revenue per financial statements	2,639,739	2,823,852

18. Segments

The First Nation receives revenue and incurs expenses from many different projects and sources. For management and reporting purposes, the revenue, 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.

19. Comparative figures

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

20. Tangible capital assets

The tangible capital assets reconciliation is included in Schedule 1.

During the year there was asset additions of \$663,587 related to buildings, \$846,670 related to housing, and \$36,075 related to equipment, that was under construction at year end, and therefor no amortization has been taken on these amounts for the year end March 31, 2021.

Yekooche First Nation
Schedule 1 - Consolidated Schedule of Tangible Capital Assets
For the year ended March 31, 2020

	<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	228,487	141,287	3,964,024	9,835,548	1,676,111	5,123,759	20,969,216
Acquisition of tangible capital assets	46,820	-	846,670	1,498,371	-	1,293	2,393,154
Balance, end of year	275,307	141,287	4,810,694	11,333,919	1,676,111	5,125,052	23,362,370
Accumulated amortization							
Balance, beginning of year	197,923	135,025	3,342,240	7,080,473	1,142,758	2,608,122	14,506,541
Annual amortization	2,970	4,173	252,602	433,139	83,806	256,253	1,032,943
Balance, end of year	200,893	139,198	3,594,842	7,513,612	1,226,564	2,864,375	15,539,484
Net book value of tangible capital assets	74,414	2,089	1,215,852	3,820,307	449,547	2,260,677	7,822,886
2019							
2019 Net book value of tangible capital assets	30,564	6,262	558,189	2,783,852	533,353	2,550,455	6,464,694

Yekooche First Nation
Schedule 1 - Consolidated Schedule of Tangible Capital Assets
For the year ended March 31, 2020

	<i>Subtotal</i>	<i>Automotive</i>	<i>Land</i>	<i>2020</i>	<i>2019</i>
Cost					
Balance, beginning of year	20,969,216	111,959	511,528	21,592,703	21,290,800
Acquisition of tangible capital assets	2,393,154	-	2,794	2,395,948	301,903
Balance, end of year	23,362,370	111,959	514,322	23,988,651	21,592,703
Accumulated amortization					
Balance, beginning of year	14,506,541	7,187	-	14,513,728	13,498,748
Annual amortization	1,032,943	3,731	-	1,036,674	1,014,980
Balance, end of year	15,539,484	10,918	-	15,550,402	14,513,728
Net book value of tangible capital assets	7,822,886	101,041	514,322	8,438,249	7,078,975
2019 Net book value of tangible capital assets	6,464,694	104,772	511,528	7,078,975	

Yekooche First Nation
Schedule 2 - Consolidated Schedule of Expenses by Object
For the year ended March 31, 2020

	<i>2020 Budget (Note 16)</i>	<i>2020</i>	<i>2019</i>
Consolidated expenses by object			
Wages and benefits	2,043,871	1,910,674	1,749,686
Sub-contracts	2,585,602	584,749	366,139
Travel	351,333	283,586	326,092
Other expenses	258,830	239,196	163,052
Professional fees	480,500	235,844	215,179
Supplies	288,450	197,935	115,575
Social assistance	181,994	184,063	178,046
Rental	212,688	167,316	114,168
Office	243,488	164,782	134,163
Consulting fees	221,800	162,500	214,506
Stumpage	-	146,838	-
Utilities	133,356	104,033	100,733
Repairs and maintenance	96,358	97,223	177,903
Telephone	88,800	81,510	65,316
Meal program	61,200	57,142	53,367
Honoraria	104,800	54,860	43,560
Member services	78,163	54,083	26,678
Training	127,799	49,727	38,723
Workshops and meetings	98,131	47,537	26,996
Insurance	51,400	46,677	37,435
Interest on debt	148,000	30,025	30,380
Renovation materials	34,969	13,329	13,970
Licenses and memberships	13,600	8,758	805
Interest and bank charges	8,300	7,974	7,748
Tuition and student expenses	11,200	7,631	14,013
Bad debts	5,000	5,000	-
Loss on disposal of tangible capital assets	631,192	-	-
Administration fee (recovery)	1,731	(8,300)	(3,110)
Amortization	-	1,036,674	1,014,980
	8,562,555	5,971,366	5,226,103

Yekooche First Nation
Administration

Schedule 3 - Consolidated Schedule of Revenue and Expenses
For the year ended March 31, 2020

	<i>2020 Budget (Note 16)</i>	<i>2020</i>	<i>2019</i>
Revenue			
Indigenous Services Canada	268,010	268,010	705,248
Other income	133,000	136,194	116,707
Interest income	21,000	34,193	21,405
Rental revenue	1,800	3,600	1,800
Resource industry revenue	-	-	15,000
	423,810	441,997	860,160
Expenses			
Wages and benefits	652,769	563,443	437,003
Sub-contracts	212,000	145,137	25,275
Travel	85,500	78,228	57,978
Rental	84,848	64,639	42,294
Office	114,000	43,315	39,915
Professional fees	50,000	41,517	40,000
Other expenses	15,000	25,180	4,060
Workshops and meetings	28,700	16,915	11,704
Telephone	22,000	14,645	5,359
Honoraria (recovery)	34,800	11,260	(9,900)
Interest and bank charges	8,000	7,934	7,677
Licenses and memberships	6,000	6,086	549
Bad debts	5,000	5,000	-
Supplies	5,000	4,450	18,078
Training	50,000	3,397	95
Insurance	500	343	1,408
Consulting fees	-	-	22,000
Administration fee (recovery)	(262,176)	(269,838)	(223,600)
Amortization	-	7,905	8,721
	1,111,941	769,556	488,616
Annual surplus (deficit)	(688,131)	(327,559)	371,544

Yekooche First Nation
Social Development
Schedule 4 - Consolidated Schedule of Revenue and Expenses
For the year ended March 31, 2020

	<i>2020 Budget (Note 16)</i>	<i>2020</i>	<i>2019</i>
Revenue			
Indigenous Services Canada	416,050	416,126	382,401
First Nation Health Authority	73,278	73,278	86,841
Other income	67,320	57,986	58,366
Province of British Columbia	56,163	56,163	60,853
	612,811	603,553	588,461
Expenses			
Social assistance	181,994	184,063	178,046
Wages and benefits	177,987	161,675	198,919
Sub-contracts	57,000	66,202	67,222
Rental	27,200	27,585	30,826
Meal program	26,200	25,600	28,533
Travel	31,600	24,911	15,139
Office	25,200	23,680	17,809
Administration fee	22,634	22,863	20,011
Utilities	15,956	19,415	12,030
Other expenses	15,800	13,651	8,384
Telephone	8,700	9,000	7,500
Training	5,800	5,434	6,949
Supplies	17,600	5,262	7,018
Workshops and meetings	18,112	5,112	1,625
Member services	8,963	2,463	-
Repairs and maintenance	2,000	951	12,803
Insurance	200	527	110
Honoraria	500	-	-
	643,446	598,394	612,924
Annual surplus (deficit)	(30,635)	5,159	(24,463)

Yekooche First Nation
Education

Schedule 5 - Consolidated Schedule of Revenue and Expenses
For the year ended March 31, 2020

	2020 Budget (Note 16)	2020	2019
Revenue			
Indigenous Services Canada	869,895	869,625	947,235
First Nation Education Steering Committee	270,509	198,652	365,234
Prince George Nechako Aboriginal Employment & Training Association	75,288	75,288	59,399
Other income	7,500	9,040	867
Carrier Sekani Family Services	5,000	5,000	-
	1,228,192	1,157,605	1,372,735
Expenses			
Wages and benefits	596,937	543,618	572,699
Other expenses	178,014	150,629	125,701
Administration fee	114,769	114,671	120,716
Repairs and maintenance	237,080	70,463	-
Travel	53,686	39,218	65,418
Training	67,999	38,856	28,996
Telephone	32,000	31,920	24,000
Meal program	25,000	26,242	23,050
Supplies	16,500	13,328	32,659
Rental	12,000	12,090	6,937
Sub-contracts	7,700	9,392	11,150
Tuition and student expenses	11,200	7,631	10,081
Office	3,600	5,436	1,948
Honoraria	4,500	3,175	2,500
Workshops and meetings	6,765	2,122	63
Professional fees	2,000	-	3,099
Equipment purchase	73,117	-	-
	1,442,867	1,068,791	1,029,017
Annual surplus (deficit)	(214,675)	88,814	343,718

Yekooche First Nation
Capital

Schedule 6 - Consolidated Schedule of Revenue and Expenses
For the year ended March 31, 2020

	2020 Budget (Note 16)	2020	2019
Revenue			
Indigenous and Northern Affairs Canada	1,002,822	1,061,514	677,192
Rental revenue	185,000	188,188	174,702
Other income	84,000	88,599	70,110
	1,271,822	1,338,301	922,004
Expenses			
Sub-contracts	2,133,452	212,164	71,052
Supplies	188,500	119,768	18,889
Office	63,438	57,539	44,480
Insurance	33,600	34,590	31,363
Interest on long-term debt	148,000	30,025	30,380
Rental	50,500	26,277	-
Utilities	42,000	24,674	17,676
Travel	24,500	20,197	2,502
Telephone	15,000	15,505	13,816
Wages and benefits	17,564	8,859	20,719
Administration fee	10,142	5,000	5,625
Workshops and meetings	500	196	348
Repairs and maintenance	14,200	89	100,493
Honoraria	-	-	300
Licenses and memberships	500	-	-
Equipment purchase	502,000	-	-
Renovation materials	21,000	-	-
Amortization	-	1,025,798	1,003,646
	3,264,896	1,580,681	1,361,289
Annual deficit	(1,993,074)	(242,380)	(439,285)

Yekooche First Nation
Economic Development
Schedule 7 - Consolidated Schedule of Revenue and Expenses
For the year ended March 31, 2020

	2020 Budget (Note 16)	2020	2019
Revenue			
Province of British Columbia	553,686	553,686	248,181
Resource industry revenue	72,800	72,800	98,333
Indigenous Services Canada	15,000	15,000	12,017
Other income	3,000	5,831	8,968
Interest income	-	-	28
Joint venture income	-	-	(137,518)
	644,486	647,317	230,009
Expenses			
Stumpage	-	146,838	-
Wages and benefits	147,989	140,642	87,577
Professional fees	245,000	69,327	2,514
Administration fee	64,080	63,947	25,670
Consulting fees	70,000	33,067	67,686
Member services	25,000	22,028	22,910
Travel	24,561	16,201	13,808
Sub-contracts	13,500	13,500	21,598
Rental	9,600	9,600	7,200
Supplies	11,000	8,610	1,870
Repairs and maintenance	7,000	3,009	6,053
Workshops and meetings	6,000	1,631	1,049
Licenses and memberships	3,000	1,610	-
Telephone	2,400	1,440	1,440
Honoraria	2,900	1,200	1,800
Utilities	2,900	1,016	-
Interest and bank charges	300	40	72
Insurance	100	35	228
Office	2,400	-	3,600
	637,730	533,741	265,075
Annual surplus (deficit)	6,756	113,576	(35,066)

Yekooche First Nation
Operations and Maintenance
Schedule 8 - Consolidated Schedule of Revenue and Expenses
For the year ended March 31, 2020

	<i>2020 Budget (Note 16)</i>	<i>2020</i>	<i>2019</i>
Revenue			
Other income	182,600	172,794	136,556
Rental revenue	10,000	16,000	-
Indigenous Services Canada	9,464	9,464	9,290
	202,064	198,258	145,846
Expenses			
Wages and benefits	105,095	109,031	90,266
Sub-contracts	91,500	90,391	87,609
Utilities	67,000	53,306	71,028
Repairs and maintenance (recovery)	(163,922)	22,711	58,554
Rental	22,540	20,726	16,776
Office	18,000	18,000	-
Supplies	19,664	15,255	8,338
Insurance	17,000	11,182	3,936
Travel	13,500	10,682	12,647
Administration fee	7,500	7,500	6,000
Telephone	1,500	1,500	6,000
Training	-	40	-
Equipment purchase	56,075	-	-
Licenses and memberships	3,000	-	-
	258,452	360,324	361,154
Annual deficit	(56,388)	(162,066)	(215,308)

**Yekooche First Nation
Health**

Schedule 9 - Consolidated Schedule of Revenue and Expenses

For the year ended March 31, 2020

	2020 Budget (Note 16)	2020	2019
Revenue			
Carrier Sekani Family Services	256,930	256,930	332,167
First Nation Health Authority	35,771	42,106	31,276
Province of British Columbia	30,000	30,000	-
Other income	11,854	15,748	24,608
	334,555	344,784	388,051
Expenses			
Wages and benefits	190,711	201,693	160,056
Other expenses	50,017	49,736	24,908
Administration fee	39,332	42,903	33,710
Member services	44,200	29,593	3,768
Travel	26,000	29,085	31,470
Supplies	25,086	26,214	20,518
Sub-contracts	11,250	11,590	9,051
Workshops and meetings	26,054	11,362	3,457
Honoraria	2,500	7,425	2,160
Meal program	10,000	5,300	1,784
Telephone	3,600	3,900	3,600
Licenses and memberships	1,100	1,062	256
Office	650	643	712
Rental	-	400	-
Tuition and student expenses	-	-	3,931
Training	2,000	-	883
	432,500	420,906	300,264
Annual surplus (deficit)	(97,945)	(76,122)	87,787

Yekooche First Nation
Treaty

Schedule 10 - Consolidated Schedule of Revenue and Expenses
For the year ended March 31, 2020

	2020 Budget (Note 16)	2020	2019
Revenue			
Treaty forgiveness	-	7,499,882	-
British Columbia Treaty Commission	600,000	600,000	598,609
Indigenous Services Canada	-	-	90,469
	600,000	8,099,882	689,078
Expenses			
Wages and benefits	109,157	137,151	124,513
Consulting fees	151,800	129,433	124,820
Professional fees	183,500	125,000	169,566
Travel	81,600	55,485	109,596
Sub-contracts	59,200	36,373	53,797
Honoraria	59,600	31,800	46,700
Office	16,200	16,169	16,099
Workshops and meetings	12,000	10,200	8,750
Supplies	3,600	3,600	4,355
Telephone	3,600	3,600	3,600
Rental	-	-	2,635
	680,257	548,811	664,431
Annual surplus (deficit)	(80,257)	7,551,071	24,647

Yekooche First Nation
Natural Resources

Schedule 11 - Consolidated Schedule of Revenue and Expenses
For the year ended March 31, 2020

	<i>2020 Budget (Note 16)</i>	<i>2020</i>	<i>2019</i>
Revenue			
Department of Fisheries and Oceans Canada	77,500	77,500	164,450
Other income	8,500	9,654	11,236
	86,000	87,154	175,686
Expenses			
Wages and benefits	45,661	44,561	57,934
Renovation materials	13,969	13,329	13,970
Travel	10,386	9,579	17,535
Rental	6,000	6,000	7,500
Utilities	5,500	5,620	-
Administration fee	5,450	4,654	8,757
Amortization	-	2,970	2,612
Training	2,000	2,000	1,800
Supplies	1,500	1,449	3,849
Insurance	-	-	390
Sub-contracts	-	-	19,386
Office	-	-	9,600
	90,466	90,162	143,333
Annual surplus (deficit)	(4,466)	(3,008)	32,353

Yekooche First Nation
Trust Fund

Schedule 12 - Consolidated Schedule of Revenue and Expenses
For the year ended March 31, 2020

	<i>2020 Budget (Note 16)</i>	<i>2020</i>	<i>2019</i>
Revenue			
Interest income	-	846	958
Annual surplus	-	846	958