

BINCHE WHUT'EN
Fort St James, BC

FINANCIAL STATEMENTS

For the Year Ended March 31, 2020

Binche Whut'en
PO Box 2039
Fort St James, BC
V0J 1P0
250-648-3232



MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The accompanying financial statements of Binche Whut'en is the responsibility of management.

The financial statements have been prepared by management in accordance with the Canadian public sector accounting standards. Financial statements are not precise since they include certain amounts based on estimates and judgments. When alternative accounting methods exist, management has chosen those it deems most appropriate in the circumstances, in order to ensure that the financial statements are presented fairly, in all material respects.

Binche Whut'en maintains systems of internal accounting and administrative controls of high quality, consistent with reasonable costs. Such systems are designed to provide reasonable assurance that the financial information is relevant, reliable and accurate and the Binche Whut'en's assets are appropriately accounted for and adequately safeguarded.

Binche Whut'en's Council is responsible for ensuring that management fulfills its responsibilities for financial reporting and is ultimately responsible for reviewing and approving the financial statements.

The financial statements have been audited by Paul Teoh Professional Corporation Chartered Professional Accountants in accordance with Canadian generally accepted auditing standards. Their report to the members of Binche Whut'en, stating the scope of their examination and opinion on the financial statements, follows.

Chief

Fort St James, BC
July 18, 2022

Dawn Morris
Band Manager



INDEPENDENT AUDITORS' REPORT

To the members of Binche Whut'en

Qualified Opinion

We have audited the accompanying financial statements of Binche Whut'en, which comprise the statement of financial position as at March 31, 2020 and the statements of operations and accumulated surplus, changes in net financial assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as the "financial statements").

In our opinion, except for effects the matters described in the Basis of Qualified Opinion section of our report, these financial statements present fairly, in all material respects, the financial position of Binche Whut'en (the "Nation") as at March 31, 2020, and the results of its operations, changes net financial assets and cash flows of the Nation for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Qualified Opinion

The Nation was separated from The Tl'azt'en Nation effective April 1, 2019 pursuant to the Tl'azt'en Nation Terms of Division agreement. Per the terms of agreement, certain assets from The Tl'azt'en Nation were to be transferred to the Nation. We are unable to obtain sufficient appropriate audit evidence to determine the amounts receivable and/or payable for housing arrears, the amount of Ottawa Trust Fund that should be allocated to the Nation from The Tl'azt'en Nation.

In addition to the above matters, the Nation did not prepare a budget for the year ended March 31, 2020. Canadian Public Sector Accounting Standards requires the approved budget to be presented in the statements of operations and accumulated surplus and change in net financial assets.

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 Financial Statements section of our report. We are independent of the Nation in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other 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 Financial Statements

Management is responsible for the preparation and fair presentation of these 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 financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the 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 Nation or to cease operations, or has no realistic alternative but to do so. Those charged with governance are responsible for overseeing the Nation's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objective is to obtain reasonable assurance about whether the 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 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 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 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 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 Nation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

PAUL TEOH

Chartered Professional Accountants

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.

Paul Teoh

Paul Teoh Professional Corporation
Chartered Professional Accountants

Calgary, Alberta
July 18, 2022

BINCHE WHUT'EN
STATEMENT OF FINANCIAL POSITION

March 31,	2020	2019
Financial Assets		
Cash and cash equivalents (note 2)	\$ 444,242	\$ -
Short term investments	340,631	-
Accounts receivable (note 3)	1,517,528	1,601,097
Total Financial Assets	2,302,401	1,601,097
Liabilities		
Accounts payable and accrued liabilities (note 4)	87,355	18,862
Total Liabilities	87,355	18,862
Net Financial Assets	2,215,046	1,582,235
Non-Financial Assets		
Portfolio investment (note 5)	110	-
Tangible capital assets (note 6)	2,368,645	2,565,796
Total Non-Financial Assets	2,368,755	2,565,796
Accumulated Surplus (note 8)	\$ 4,583,801	\$ 4,148,031

Approved on behalf of the Council:



Councillor



Councillor

The accompanying notes and schedules are an integral part of these financial statements.

BINCHE WHUT'EN

STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS

For the year ended March 31,	2020	2020	2019
	Budget (Unaudited)	Actual	Actual
Revenue			
Contributions - Indigenous Services			
Canada	\$ -	\$ 669,302	\$ -
Contributions - Government of BC	-	7,500	-
Contributions - Prince George Nchako			
Aboriginal Employment & Training			
Association	-	17,100	-
Contributions - MCFD	-	41,089	-
Contributions - First Nations Health			
Authority	-	147,925	-
Other contributions and grants	-	80,000	-
Administration fees	-	17,127	-
Interest income	-	140,541	-
Other revenue and recoveries	-	279,842	-
	-	1,400,426	-
Expenditure			
Band administration	-	236,407	-
Social assistance	-	256,509	-
Education and training	-	55,954	-
Fundraising and gaming	-	15,179	-
Health and wellness	-	82,437	-
General operating and maintenance	-	279,509	-
Land and resources	-	38,661	-
	-	964,656	-
Annual Surplus (Deficit)	-	435,770	-
Accumulated Surplus, beginning of year	4,148,031	4,148,031	4,148,031
Accumulated Surplus, end of year	\$ 4,148,031	\$ 4,583,801	\$ 4,148,031

BINCHE WHUT'EN
STATEMENT OF CHANGES IN NET FINANCIAL ASSETS

For the year ended March 31,	2020	2020	2019
	Budget (Unaudited)	Actual	Actual
Annual Surplus (Deficit)	\$ -	\$ 435,770	\$ -
Acquisition of tangible capital assets	-	(6,098)	-
Amortization of tangible capital assets	-	203,249	-
<u>Decrease (increase) in portfolio investment</u>	-	(110)	-
	-	632,811	-
Increase (Decrease) in Net Financial Assets	-	632,811	-
Net Financial Assets, beginning of year	1,582,235	1,582,235	1,582,235
Net Financial Assets, end of year	\$ 1,582,235	\$ 2,215,046	\$ 1,582,235

BINCHE WHUT'EN

STATEMENT OF CASH FLOWS

For the year ended March 31,

	2020	2019
Cash Flows from Operating Activities		
Cash receipts from government transfers	\$ 676,802	\$ -
Cash receipts from contributions and recoveries	807,193	-
Cash paid to suppliers and employees	(692,914)	-
	<hr/> 791,081	<hr/> -
Cash Flows from Investing Activities		
Decrease (increase) in short term investment	(340,631)	-
Decrease (increase) in portfolio investments	(110)	-
	<hr/> (340,741)	<hr/> -
Capital Transactions		
Purchase of tangible capital assets	(6,098)	-
	<hr/> (6,098)	<hr/> -
Net Increase (Decrease) in Cash and Cash Equivalents	444,242	-
Cash and Cash Equivalents, beginning of year	-	-
Cash and Cash Equivalents, end of year	\$ 444,242	\$ -

BINCHE WHUT'EN

NOTES TO FINANCIAL STATEMENTS

March 31, 2020

The Binche Whut'en (the "Nation") is an Indian Band registered under the *Indian Act*. It provides services to the band members of Binche Whut'en. The Nation is exempt for income tax purposes under Section 149 of the *Income Tax Act*.

The Nation was separated from The Tl'azt'en Nation effective April 1, 2019 pursuant to the Tl'azt'en Nation Terms of Division agreement dated February 6, 2017. On March 31, 2019 and as a result of the separation agreement, the following assets and corresponding equity were transferred from The Tl'azt'en Nation to The Binche Whut'en:

Net Assets Transferred:

Receivable from The Tl'azt'en Nation	\$ 1,601,096
Buildings	1,622,646
Water and sewage system	899,538
Vehicles	43,612
Road systems	-
Debt	(18,861)
	\$ 4,148,031

Represented by:

General operation fund	\$ 218,917
Ottawa Trust equity	1,382,179
Equity in tangible capital assets	2,546,935
	\$ 4,148,031

1. Significant Accounting Policies

(a) Basis of Preparation

These financial statements have been prepared in accordance with generally accepted accounting principles for governments as recommended by the Public Sector Accounting Board (PSAB) of the Chartered Professional Accountants of Canada.

(b) Cash and Cash Equivalents

Cash and cash equivalents includes highly liquid investments that can be readily converted into cash for a fixed amount and that matures less than three months from the date of acquisition.

(c) Allocation of Expenditure

Certain common expenditure have been allocated to programs based on estimate of services provided.

BINCHE WHUT'EN

NOTES TO FINANCIAL STATEMENTS

March 31, 2020

1. Significant Accounting Policies (Continued)

(d) Revenue Recognition

The financial statements are prepared using the accrual basis of accounting. The accrual basis of accounting records revenues as it is earned and measurable. Expenses are recognized as they are incurred and measurable based upon receipts of goods or services and/or legal obligations to pay.

Government transfers, contributions and other amounts are received from third parties pursuant to legislation, regulation or agreement and may only be used for certain programs, in the completion of specific work, or for the purchase of tangible capital assets. Revenue is recognized in the period when the related expenses are incurred, services performed or the tangible capital assets are acquired.

Contributions received in advance of making the related expenditure are accounted for as deferred contributions.

(e) Non-Financial Assets

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year and are not intended for sale in the normal course of operations. The change in non-financial assets during the year, together with the excess of revenues over expenses, provides the Change in Net Financial Assets (Debt) for the year.

(i) Tangible Capital Assets

Purchased tangible capital assets are recorded at cost. Amortization expense is recorded over the estimated useful lives of the assets, with half the amortization for the year of acquisition, using the straight line basis and following annual rates:

Buildings	4%
Office furniture and equipment	20%
Road systems	5%
Water and sewer systems	4%
Vehicles	20%

(f) Short Term Investments

Short term investments consist of funds held in separate trust fund. They are recorded at cost and accrued interest earned.

BINCHE WHUT'EN

NOTES TO FINANCIAL STATEMENTS

March 31, 2020

1. Significant Accounting Policies (Continued)

(g) Government Transfers

Government transfers are the transfer of assets from senior levels of government that are not the result of an exchange transaction, are not expected to be repaid in the future, or the result of a direct financial return.

They are recognized in the financial statements as revenue in the period in which events giving rise to the transfer occur, providing the transfers are authorized, any eligibility criteria have been met, and reasonable estimates of the amounts can be determined.

(h) Use of Estimates

The preparation of 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 disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the year. Actual results could differ from those estimates.

(i) Financial Instruments - Recognition and Measurement

The Nation has elected the following classifications with respect to its financial assets and financial liabilities:

- Cash and restricted cash are classified as assets held-for-trading and are subsequently measured at fair value with gains and losses arising from changes in the fair value recognized in net income in the period in which they arise. The estimated fair value of cash is assumed to approximate its carrying amount.
- Accounts receivable are classified as loans and receivables and are subsequently measured at amortized cost using the effective interest method. The amortized cost using the effective interest method approximates their fair values due to the short term nature.
- Accounts payable and accrued liabilities are classified as other financial liabilities and are subsequently measured at amortized cost using the effective interest method. At inception, the estimated fair values of accounts payable and accrued liabilities are assumed to approximate their carrying amounts.

Unless otherwise noted, it is management's opinion that the Nation is not exposed to significant interest, currency or credit risks arising from these financial instruments.

BINCHE WHUT'EN

NOTES TO FINANCIAL STATEMENTS

March 31, 2020

2. Cash and Cash Equivalents

	2020	2019
Bank chequing account	\$ 439,801	\$ -
Bank savings account	4,441	-
	<hr/> \$ 444,242	<hr/> \$ -

3. Accounts Receivable

	2020	2019
Trade and others	\$ 123,292	\$ -
Receivable from The Tl'azt'en Nation	1,392,493	1,601,097
GST refundable	1,743	-
	<hr/> \$ 1,517,528	<hr/> \$ 1,601,097

Amount receivable from The Tl'azt'en Nation represents balance of assets to be transferred to the Nation as a result of the separation agreement effective April 1, 2019. The amount is unsecured, non-interest bearing and there is no fixed term of repayment.

4. Accounts Payable and Accrued Liabilities

	2020	2019
Trade and others	\$ 87,357	\$ 18,862

5. Portfolio Investment

Portfolio investment consists of cost of limited partnership units in BC First Nations Gaming Revenue Sharing Limited Partnership.

BINCHE WHUT'EN

NOTES TO FINANCIAL STATEMENTS

March 31, 2020

6. Tangible Capital Assets

		2020	2019
	Cost	Accumulated Amortization	Net Book Value
Buildings	\$ 3,245,643	\$ 1,728,818	\$ 1,516,825
Office furniture and equipment	6,099	610	5,489
Roads	959,865	959,865	-
Vehicles	116,900	90,755	26,145
Water and sewer system	2,406,617	1,586,431	820,186
	\$ 6,735,124	\$ 4,366,479	\$ 2,368,645
			\$ 2,565,796

7. Equity in Tangible Capital Assets

	2020	2019
Tangible capital assets	\$ 6,735,124	\$ 6,729,025
Accumulated amortization	(4,366,479)	(4,163,229)
Related debt	(12,395)	(18,862)
	\$ 2,356,250	\$ 2,546,934

8. Accumulated Surplus

	2020	2019
Unrestricted - General Operating Fund	\$ 732,346	\$ 218,918
Ottawa Trust equity	1,495,205	1,382,179
Equity in Tangible Capital Assets	2,356,250	2,546,934
	\$ 4,583,801	\$ 4,148,031

9. Government Transfers

	2020	2019
Indigenous Services Canada	\$ 669,302	\$ -
Government of BC	7,500	-
	\$ 676,802	\$ -

BINCHE WHUT'EN

NOTES TO FINANCIAL STATEMENTS

March 31, 2020

10. Expenditure by Object

	2020	2019
Administration	\$ 17,126	\$ -
Advertising	1,025	-
Amortization	203,249	-
Bank charges and interest	910	-
Basic needs	135,055	-
Community events	32,560	-
Contracted services	6,101	-
Donations	15,914	-
Equipment rental	1,446	-
Honoraria	1,639	-
Insurance	19,198	-
Licences and dues	15,271	-
Materials and supplies	130	-
Meetings and workshops	1,949	-
Mobile equipment costs	9,469	-
Office	6,947	-
Professional fees	109,682	-
Rent	46,538	-
Repairs and maintenance	42,618	-
Student supports	35,633	-
Telephone and Internet	13,820	-
Training and scholarships	16,107	-
Travel and accommodation	10,574	-
Utilities	24,845	-
Wages and benefits	196,850	-
Total Expenditure	\$ 964,656	\$ -

11. Budget Figures

No budget was prepared by the Nation in the current year. As such, no budget amounts have been disclosed in the financial statements.

Canadian public sector accounting standards ("PSAB") require disclosure of budget information for comparison to the Nation's actual revenues and expenses. The consolidated budgeted revenues and expenses, and surplus (deficit) has not been reported in these consolidated financial statements as there was no approved budget. While having no effect on reported revenues, expenses, and surplus (deficit), omission of this information is considered a departure from PSAB.

BINCHE WHUT'EN

NOTES TO FINANCIAL STATEMENTS

March 31, 2020

12. Economic Dependence

The Nation receives a major portion of its revenue from the Indigenous Services Canada of the Government of Canada and other government agencies. The nature and extent of this revenue is of such significance that the Nation is economically dependent on this source of revenue.

13. Financial Instruments and Risk Management

The Nation's financial instruments are exposed to certain risks, which include credit risk, market risk, interest rate risk and liquidity risk.

Credit Risk - Credit risk refers to the potential that the funding agencies or counter party to a financial instrument will fail to discharge its contractual obligations. The Nation is exposed mainly to credit risk from funding agencies' refusal to contribute the full funding due to the Nation's non-compliance to the contribution agreements. The Nation manages credit risk by ensuring that it complies with the terms and conditions of the contribution agreements.

Interest Rate Risk - Interest rate risk is the risk that the fair value of or future cash flows from a financial instrument will fluctuate because of changes to market interest rates. The Nation does not have debts that are subject to changes in interest rate and therefore is not exposed to interest risk.

Liquidity Risk - Liquidity risk is the risk that the Nation will not be able to meet its financial obligations as they fall due. The Nation manages liquidity risk through the management of its capital structure.

Unless otherwise noted, it is management's opinion that the Nation is not exposed to other significant currency and market risks arising from these financial instruments.