

**Tribal Resources Investment Corporation**  
**Non-Consolidated Financial Statements**  
*For the year ended March 31, 2020*

# Tribal Resources Investment Corporation Contents

For the year ended March 31, 2020

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# Independent Auditor's Report

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To the Board of Directors of Tribal Resources Investment Corporation:

## Opinion

We have audited the non-consolidated financial statements of Tribal Resources Investment Corporation (the "Organization"), which comprise the statement of financial position as at March 31, 2020, and the statements of operations, changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and schedules.

In our opinion, the accompanying non-consolidated financial statements present fairly, in all material respects, the financial position of the Organization as at March 31, 2020, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

## 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 Non-Consolidated Financial Statements section of our report. We are independent of the Organization in accordance with the ethical requirements that are relevant to our audit of the 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.

## Basis of Accounting and Restriction on Use

Without modifying our opinion, we draw attention to Note 2 of the non-consolidated financial statements, which describes the basis of accounting. The non-consolidated financial statements are prepared to assist Tribal Resources Investment Corporation to meet the requirements of Employment and Social Development Canada, Aboriginal Business Canada, National Aboriginal Capital Corporation Association, New Relationship Trust and Aboriginal Community Career Employment Services Society. As a result, the non-consolidated financial statements may not be suitable for other purposes.

## Responsibilities of Management and Those Charged with Governance for the Non-Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the non-consolidated financial statements in accordance with Canadian accounting standards for not-for-profit organizations, 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 non-consolidated financial statements, management is responsible for assessing the Organization'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 Organization or to cease operations, or has no realistic alternative but to do so.

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

## Auditor's Responsibilities for the Audit of the Non-Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the non-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 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 non-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 Organization'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 Organization'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 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 Organization to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the non-consolidated financial statements, including the disclosures, and whether the 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.

Surrey, British Columbia

July 21, 2020



*MNP LLP*

Chartered Professional Accountants

# Tribal Resources Investment Corporation

## Non-Consolidated Statement of Financial Position

*As at March 31, 2020*

	<b>2020</b>	2019
<b>Assets</b>		
<b>Current</b>		
Cash	4,598,485	4,403,190
Accounts receivable	572,090	178,900
Prepaid expenses	64,697	54,742
Government agencies recoverable	51,504	31,901
	<b>5,286,776</b>	4,668,733
<b>Loans receivable (Note 3)</b>	<b>1,726,835</b>	1,877,697
<b>Long term portion of prepaid expense</b>	<b>72,500</b>	102,500
<b>Investment in significantly influenced entities (Note 4)</b>	<b>3</b>	3
<b>Investment in significantly influenced partnership (Note 5)</b>	<b>220,199</b>	83,268
<b>Capital assets (Note 6)</b>	<b>207,334</b>	218,948
<b>Restricted term deposit (Note 7)</b>	<b>174,130</b>	171,304
	<b>7,687,777</b>	7,122,453
<b>Liabilities</b>		
<b>Current</b>		
Accounts payable and accruals	279,061	721,538
Deferred revenue (Note 9)	1,356,195	582,525
Deposits	44,845	85,136
	<b>1,680,101</b>	1,389,199
<b>Credit facility (Note 8)</b>		
<b>Commitments (Note 10)</b>		
<b>Subsequent event (Note 15)</b>		
<b>Members' Equity</b>		
Investment in capital assets	207,334	218,948
Unrestricted	(2,812,997)	(3,054,379)
Internally restricted (Note 11)	44,654	-
Contributed equity (Note 12)	8,568,685	8,568,685
	<b>6,007,676</b>	5,733,254
	<b>7,687,777</b>	7,122,453
<b>Approved on behalf of the Board of Directors</b>		
 E-SIGNED by Diane McRae Director	 E-SIGNED by Donald Edgars Director	

The accompanying notes are an integral part of these financial statements

# Tribal Resources Investment Corporation

## Non-Consolidated Statement of Operations

For the year ended March 31, 2020

	2020	2019
<b>Revenue</b>		
Employment and Social Development Canada - ISETS (Schedule 1)	6,131,733	6,257,855
Employment and Social Development Canada - SPF (Schedule 6)	967,942	789,395
Aboriginal Business Financing Program - contributions (Schedule 5)	791,914	872,015
General operations and other revenue (Schedule 7)	427,410	391,868
New Relationship Trust - West Coast Energy Fund - NW Ace Web Portal (Schedule 7)	-	283,500
New Relationship Trust Contribution - West Coast Energy Fund - GAP Analysis (Schedule 7)	-	255,460
ACCESS - BladeRunners (Schedule 8)	116,100	98,900
New Relationship Trust (Schedule 9)	19,100	50,394
Employment and Social Development Canada - Enabling Accessibility Fund (Schedule 10)	-	66,800
Indigenous Services Canada - Pre-employment Income Assistance (Schedule 12)	229,799	19,518
TransCanada Corporation - SPF	36,340	18,111
Prior year Futurepreneur Canada funding (Schedule 13)	-	3,000
NACCA - training program (Schedule 14)	-	26,270
<b>Total revenue</b>	<b>8,720,338</b>	<b>9,133,086</b>
<b>Expenses</b>		
Employment and Social Development Canada - ISETS (Schedule 1)	6,131,733	6,257,855
Employment and Social Development Canada - SPF (Schedule 6)	967,942	789,395
Aboriginal Business Financing Program - expenses (Schedule 5)	791,914	872,015
General operations and other (Schedule 7)	305,428	344,470
New Relationship Trust - West Coast Energy Fund - NW Ace Web Portal (Schedule 7)	-	283,500
New Relationship Trust Contribution - West Coast Energy Fund - GAP Analysis (Schedule 7)	-	255,460
ACCESS - BladeRunners (Schedule 8)	88,979	98,900
New Relationship Trust (Schedule 9)	19,100	50,394
Employment and Social Development Canada - Enabling Accessibility Fund (Schedule 10)	-	50,000
Indigenous and Northern Affairs Canada - Income Assistance Employment and Pre-employment Activities (Schedule 12)	229,799	19,518
TransCanada Corporation - SPF	36,340	18,111
Futurepreneur Canada (Schedule 13)	-	3,000
NACCA - training program (Schedule 14)	-	26,270
<b>Total expenses</b>	<b>8,571,235</b>	<b>9,068,888</b>
<b>Excess of revenue over expenses before other items</b>	<b>149,103</b>	<b>64,198</b>
<b>Other items</b>		
Share of partnership earnings	136,931	109,384
<b>Excess of revenue over expenses</b>	<b>286,034</b>	<b>173,582</b>

The accompanying notes are an integral part of these financial statements

**Tribal Resources Investment Corporation**  
**Non-Consolidated Statement of Changes in Net Assets**

*For the year ended March 31, 2020*

	<i>Investment in capital assets</i>	<i>Unrestricted</i>	<i>Internally restricted</i>	<b>2020</b>	<b>2019</b>
<b>Net assets (liabilities), beginning of year</b>	<b>218,948</b>	<b>(3,054,379)</b>	-	<b>(2,835,431)</b>	(3,073,370)
<b>Excess of revenue over expenses</b>	-	<b>241,382</b>	<b>44,654</b>	<b>286,034</b>	173,582
<b>Investment in capital assets</b>	<b>14,722</b>	-	-	<b>14,722</b>	94,911
<b>Amortization of capital assets</b>	<b>(26,336)</b>	-	-	<b>(26,336)</b>	(30,554)
<b>Unrestricted net assets (liabilities), end of year</b>	<b>207,334</b>	<b>(2,812,997)</b>	<b>44,654</b>	<b>(2,561,011)</b>	(2,835,431)

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

## Tribal Resources Investment Corporation Non-Consolidated Statement of Cash Flows

*For the year ended March 31, 2020*

	<b>2020</b>	<b>2019</b>
<b>Cash provided by (used for) the following activities</b>		
<b>Operating</b>		
Excess of revenue over expenses	<b>286,034</b>	173,582
Net assets invested in capital assets	<b>14,722</b>	94,911
	<b>300,756</b>	268,493
Changes in working capital accounts		
Accounts receivable	<b>(393,190)</b>	547,089
Government agencies recoverable	<b>(19,603)</b>	(1,904)
Prepaid expenses	<b>(9,955)</b>	(20,609)
Long term prepaid expense	<b>30,000</b>	30,000
Accounts payable and accruals	<b>(442,475)</b>	300,578
Deferred revenue	<b>773,670</b>	308,142
	<b>239,203</b>	1,431,789
<b>Financing</b>		
Advances from Aboriginal Energy Partnership	<b>(136,931)</b>	(107,506)
Decrease in deposits	<b>(40,291)</b>	(16,193)
Decrease in deferred contributions	<b>-</b>	(50,000)
	<b>(177,222)</b>	(173,699)
<b>Investing</b>		
Purchase of capital assets	<b>(14,722)</b>	(94,911)
Repayment of loans receivable	<b>150,862</b>	98,170
Deposits in restricted term deposits	<b>(2,826)</b>	(2,282)
	<b>133,314</b>	977
<b>Increase in cash resources</b>	<b>195,295</b>	1,259,067
<b>Cash resources, beginning of year</b>	<b>4,403,190</b>	3,144,123
<b>Cash resources, end of year</b>	<b>4,598,485</b>	4,403,190

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



# Tribal Resources Investment Corporation

## Notes to the Financial Statements

For the year ended March 31, 2020

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### 1. Incorporation and nature of the organization

Tribal Resources Investment Corporation (the "Organization") was incorporated under the authority of the Canada Corporations Act. Under an agreement with the Native Economic Development Program, the Organization provides financial services to Status, Non-Status and Metis Indian entrepreneurs of Northwestern British Columbia. The Organization is considered not-for-profit, and is therefore not taxable under section 149(1) of the Income Tax Act.

The Organization also provides social development through the Indigenous Skills and Employment Training Strategy ("ISETS") agreement with Employment and Social Development Canada ("ESDC"). The agreement provides funding to Indigenous organizations to help improve the employment opportunities of Indigenous peoples. The agreement has been signed through March 31, 2029 and is described as follows:

- Consolidated Revenue Funds ("CRF") - under the terms of the Agreement with ESDC, CRF funds may be used for reasonable and proper program administration costs of the Organization (a maximum of 15% of funding may be spent on administration) and for any program assistance costs not covered by Section 63 of the Employment Insurance Act.
- Employment Insurance Funds ("EI") - under the terms of the Agreement with ESDC, EI fund may be used for reasonable and proper Employment Insurance related program assistance costs and program administration costs of the Organization (a maximum of 15% of funding may be spent on administration) relating to Employment Insurance assistance activities.
- First Nations and Inuit Child Care Initiative ("FNICCI") - under the terms of the Agreement with ESDC, FNICCI funds may be used for child care program costs and reasonable and proper program administration costs of the Organization (a maximum of 15% of funding may be spent on administration).

### 2. Significant accounting policies

The financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations set out in Part III of the CPA Canada Handbook - Accounting, as issued by the Accounting Standards Board in Canada with the exception of accounting policies as described in Note 2 for revenue recognition and capital assets.

#### **Cash**

Cash includes balances with banks, excluding bank overdrafts. Cash subject to restrictions that prevent its use for current purposes is included in restricted cash.

#### **Capital assets**

Capital asset expenditures which are not physically incorporated into a final product of a project are recorded as equipment of the Organization and are charged to operations when incurred. These expenditures are also recorded as additions to capital assets on the Statement of Changes in Net Assets with a corresponding increase in Net Assets Invested in Equipment.

Purchased capital assets are recorded at cost. Contributed capital assets are recorded at fair value at the date of contribution if fair value can be reasonably determined.

Amortization is provided using the methods below at rates intended to amortize the cost of assets over their estimated useful lives.

	<b>Rate</b>
Automotive	30 %
Computer equipment	20 %
Computer software	20 %
Office equipment	10-30 %

Leasehold improvements are amortized on a straight-line basis over the underlying lease term, being 10 years.

**Tribal Resources Investment Corporation**  
**Notes to the Financial Statements**  
*For the year ended March 31, 2020*

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

***Long-lived assets***

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

A long-lived asset is tested for impairment whenever events or changes in circumstances indicate that its carrying amount may not be recoverable. An impairment loss is recognized when the carrying amount of the asset exceeds the sum of the undiscounted cash flows resulting from its use and eventual disposition. The impairment loss is measured as the amount by which the carrying amount of the long-lived asset exceeds its fair value.

***Investments***

Investments with significant influence and investments in subsidiaries are measured at cost, less any provision for other than temporary impairment.

Investments in significantly influenced partnership is accounted for using the equity method. Accordingly, the investment 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.

All transactions with the significantly influenced entities and partnerships are disclosed as related party transactions.

***Loans receivable***

Loans are carried at the principal amount less impairment. Interest revenue is recorded on the accrual basis except where a loan is considered to be impaired. Interest income on impaired loans is recognized on a cash basis, only after any specific provisions or partial write-offs have been recovered, and provided there is no further doubt as to the collectibility of the principal.

Impaired loans are those loans where there is reasonable doubt regarding the timely collection of the full amount of principal and interest. Impaired loans are carried at their estimated realizable amounts determined by discounting the expected future cash flows at the interest rate inherent in the loans. When the amount of future cash flows cannot be estimated with reasonable reliability, impaired loans are carried at the fair value of the underlying security, net of estimated costs of realization.

The allowance for impairment is maintained at a level considered adequate to absorb anticipated credit losses. The amount provided for anticipated credit losses is determined by reference to specific loans in arrears and by the judgment of management based on previous experience and current economic conditions.

***Revenue recognition***

The Organization follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Endowment contributions are recognized as direct increases in net assets.

Contributions for the purchase of capital assets are recognized in accordance with the policies described in these significant accounting policies. Operating grants are recognized in the period in which they are committed by the granting organization. Other income is recognized when services are performed and ultimate collection is reasonably assured at the time of service.

# Tribal Resources Investment Corporation

## Notes to the Financial Statements

For the year ended March 31, 2020

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

#### **Measurement uncertainty (use of estimates)**

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations 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 financial statements, and the reported amounts of revenues and expenses during the reporting period.

Accounts receivable are stated after evaluation of their collectability and an appropriate allowance for doubtful accounts is provided where considered necessary. Provisions are made for doubtful loan accounts. Amortization is based on the estimated useful lives of capital assets.

These estimates and assumptions are reviewed periodically and, as adjustments become necessary they are reported in excess of revenues and expenses in the periods in which they become known.

#### **Financial instruments**

The Organization recognizes its financial instruments when it becomes party to the contractual provisions of the financial instrument. All financial instruments are initially recorded at their fair value, including financial assets and liabilities originated and issued in a related party transaction with management. Financial assets and liabilities originated and issued in all other related party transactions are initially measured at their carrying or exchange amount in accordance with Section 3840 *Related Party Transactions* (Note 13).

At initial recognition, the Organization may irrevocably elect to subsequently measure any financial instrument at fair value. The Organization has not made such an election during the year.

Financial assets measured at amortized cost include cash, restricted cash and cash equivalents, accounts receivable, loans receivable, and investments not quoted in an active market.

Investments in equity instruments not quoted in an active market are subsequently measured at cost less impairment. All other financial assets and liabilities are subsequently measured at amortized cost.

Financial liabilities measured at amortized cost include the bank indebtedness, accounts payable and accruals.

Transaction costs and financing fees directly attributable to the origination, acquisition, issuance or assumption of financial instruments subsequently measured at fair value are immediately recognized in the excess of revenues over expenses for the current period. Conversely, transaction costs and financing fees are added to the carrying amount for those financial instruments subsequently measured at cost or amortized cost.

#### **Financial asset impairment**

The Organization assesses impairment of all of its financial assets measured at cost or amortized cost. When there is an indication of impairment, the Organization determines whether it has resulted in a significant adverse change in the expected timing or amount of future cash flows during the year. If so, the Organization reduces the carrying amount of any impaired financial assets to the highest of: the present value of cash flows expected to be generated by holding the assets; the amount that could be realized by selling the assets; and the amount expected to be realized by exercising any rights to collateral held against those assets. Any impairment, which is not considered temporary, is included in current year excess of revenues over expenses.

The Organization reverses impairment losses on financial assets when there is a decrease in impairment and the decrease can be objectively related to an event occurring after the impairment loss was recognized. The amount of the reversal is recognized in the excess of revenues over expenditures in the year the reversal occurs.

**Tribal Resources Investment Corporation**  
**Notes to the Financial Statements**  
*For the year ended March 31, 2020*

**3. Loans receivable**

Carrying Amounts

	<i>Fishery</i>	<i>Retail</i>	<i>Construction</i>	<i>Contracting</i>	<i>Tourism</i>
Loans - specific allowances					
Recorded amount	19,366	-	-	-	4,640
Related allowance	(19,366)	-	-	-	(4,640)
	-	-	-	-	-
Loans - general allowances					
Recorded amount	456,725	-	-	58,860	13,031
Related allowance	(5,022)	-	-	(5,967)	(621)
	451,703	-	-	52,893	12,410
Accrued interest receivable					
Recorded amount	8,426	-	-	186	3
Related allowance	-	-	-	-	-
	8,426	-	-	186	3
<b>Total loans receivable</b>	<b>460,129</b>	<b>-</b>	<b>-</b>	<b>53,079</b>	<b>12,413</b>

	<i>Forestry</i>	<i>Services</i>	<i>Employer Benefit Program</i>	<i>2020 Total</i>	<i>2019 Total</i>
Loans - specific allowances					
Recorded amount	48,771	4,991	-	77,768	58,402
Related allowance	(48,771)	(4,991)	-	(77,768)	(58,402)
	-	-	-	-	-
Loans - general allowances					
Recorded amount	45,318	1,247,346	44,953	1,788,465	1,926,171
Related allowance	-	(62,977)	-	(74,587)	(74,587)
	45,318	1,184,369	44,953	1,713,878	1,851,584
Accrued interest receivable					
Recorded amount	-	10,744	-	19,360	26,113
Related allowance	-	-	-	(6,403)	-
	-	10,744	-	12,957	26,113
<b>Total loans receivable</b>	<b>45,318</b>	<b>1,195,113</b>	<b>44,953</b>	<b>1,726,835</b>	<b>1,877,697</b>

Continued on next page

# Tribal Resources Investment Corporation

## Notes to the Financial Statements

*For the year ended March 31, 2020*

### 3. Loans receivable (Continued from previous page)

Allowance for impairment

	<i>Fishery</i>	<i>Retail</i>	<i>Construction</i>	<i>Contracting</i>	<i>Tourism</i>
Balance, beginning of year	5,022	-	-	5,967	5,261
Provision for (recovery of) write-offs	19,366	-	-	-	-
<b>Balance, end of year</b>	<b>24,388</b>	<b>-</b>	<b>-</b>	<b>5,967</b>	<b>5,261</b>

	<i>Forestry</i>	<i>Services</i>	<i>EBL</i>	<i>2020 Total</i>	<i>2019 Total</i>
Balance, beginning of year	48,771	67,968	-	132,989	722,963
Provision for (recovery of) write-offs	-	-	-	19,366	(589,974)
Provision for (recovery of) credit losses	-	-	-	-	-
<b>Balance, end of year</b>	<b>48,771</b>	<b>67,968</b>	<b>-</b>	<b>152,355</b>	<b>132,989</b>

The Organization's loans are for fixed terms ranging from one to ten years and bear interest at fixed rates ranging from 8% to 13% per annum. Specific loans are secured with specific assets, personal, Band or Corporate guarantees and British Columbia Government First Citizens Fund Business Loan Program loan forgiveness and guarantees.

The British Columbia First Citizens Fund loan forgiveness and guarantees are for 40% of the original loan principal of specific loans. For each 15% of principal repaid by the borrower, the provincial government contributes 10% of the original principal. If the borrower defaults on the loan, the balance remaining of the 40% is released by the provincial government. As at March 31, 2020, management's estimate of the British Columbia First Citizens Fund security underlying the Organization's loan portfolio totaled \$356,081 (2019 - \$398,589).

The Organization has entered into a distributor agreement with ASKI Financial Inc. ("ASKI") an Aboriginal financial services company. The primary purpose of the distributor agreement is to provide Employer Benefit Lending Products throughout British Columbia. The Employer Benefit Loans ("EBL") are loans that are available exclusively to employees of Aboriginal led businesses and organizations that employ Aboriginal people in British Columbia. The EBL loans bear interest at fixed rates ranging from 11% to 15% per annum.

### 4. Investment in significantly influenced entity

The long-term investment are recorded at cost, with the exception of the investment in Nesika Management Limited which is accounted for using the equity method:

	<i>2019</i>	<i>2018</i>
First Nation Regeneration Fund Inc., a subsidiary corporation:		
35 common shares (50%)	2	2
Nesika Management Limited, a subsidiary corporation		
1 common share (100%)	1	1
	<b>3</b>	<b>3</b>

### 5. Investment in significantly influenced partnership

Aboriginal Energy Partnership "the Partnership" is an unincorporated partnership formed under an agreement between Tale'awtxw Aboriginal Capital Corporation and the Organization on March 6, 2009. The purpose of the Partnership is to research alternative energy projects and to provide funding for green energy projects in account with a funding agreement entered into with Indigenous Services Canada. The Organization has significant influence of the Partnership through 50% ownership.

**Tribal Resources Investment Corporation**  
**Notes to the Financial Statements**

*For the year ended March 31, 2020*

**6. Capital assets**

	<i>Cost</i>	<i>Accumulated amortization (Note 2)</i>	<i>2020 Net book value</i>	<i>2019 Net book value</i>
Automotive	82,793	48,310	34,483	49,262
Computer equipment	141,871	123,320	18,551	6,626
Computer software	58,892	58,892	-	-
Office equipment	104,393	93,153	11,240	12,513
Leasehold improvements	174,051	30,991	143,060	150,547
	<b>562,000</b>	<b>354,666</b>	<b>207,334</b>	<b>218,948</b>

**7. Restricted cash and cash equivalents**

Employer Benefits Program		<i>2020</i>	<i>2019</i>
NSCU term deposit, bearing interest at 2.25%, maturing on October 1, 2020 (Note 7)		<b>174,130</b>	171,304

Balance pertains to term deposits intended to be renewed and reinvested for the next 12 months therefore is classified as long term on the financial statements at March 31, 2020.

**8. Credit facility**

The Organization has an operating line of credit with Northern Savings Credit Union with an authorized credit limit of \$150,000, bearing interest at the bank's prime rate plus 1.50% and secured by a commercial security agreement, an assignment of a \$174,130 (2019 - \$171,304) term deposit, and an indemnity agreement secured by a wholly-owned subsidiary. As at March 31, 2020, the balance outstanding on this facility was \$Nil (2019 - \$Nil).

## Tribal Resources Investment Corporation Notes to the Financial Statements

*For the year ended March 31, 2020*

### 9. Deferred revenue

	<i>2019 deferred revenue</i>	<i>Prior year amount recognized as revenue</i>	<i>Current year funding received and interest</i>	<i>Current year amount recognized as revenue</i>	<i>2020 deferred revenue</i>
SPF - TransCanada Corporation	36,340	<b>(36,340)</b>	-	-	-
SPF - Employment and Social Development Canada	234,939	<b>(234,939)</b>	732,139	<b>(732,139)</b>	-
Indigenous Services Canada - Pre-employment Income Assistance	130,496	<b>(130,496)</b>	750,000	<b>(97,266)</b>	652,734
New Relationship Trust - NW Ace Web Portal	6,500	<b>(6,500)</b>	-	-	-
EI - Employment and Social Development Canada	162,431	<b>(162,431)</b>	1,848,131	<b>(1,568,870)</b>	279,261
CRF - Employment and Social Development Canada	-	-	3,850,754	<b>(3,447,466)</b>	403,288
New Relationship Trust Aboriginal Business Financing Program	9,711 2,108	<b>(9,711)</b> <b>(2,108)</b>	25,000 789,806	<b>(9,389)</b> <b>(789,806)</b>	15,611 -
GSB/UVIC Restricted Funds	-	-	5,301	-	5,301
	<b>582,525</b>	<b>(582,525)</b>	<b>8,001,131</b>	<b>(6,644,936)</b>	<b>1,356,195</b>

Under the Organization's various agreements with ESDC, ISC, NRT, and GSB, the Organization may retain upon approval any unexpended balance of the contributions to supplement future year contributions. The Organization plans to expend the deferred revenue in the upcoming fiscal year.

### 10. Commitments

The Organization is committed to spend \$103,538 per year on a facility lease agreement with Metlakatla Development Corporation, which expires September 30, 2023. Estimated minimum annual payments as follows:

2021	103,538
2022	103,538
2023	103,538
2024	51,769
	<b>362,383</b>

The Organization is committed to spend \$11,429 per year on a vehicle lease on a year to year basis. This arises from an agreement entered into with Nesika Management Limited. These transactions are in the normal course of operations and are recorded at the exchange amount.

### 11. Restrictions on net assets

#### *Internally restricted net assets*

During the year, the Organization's Board of Directors internally restricted \$44,654 (2019 – \$nil) of unrestricted net assets to be held for future use. These internally restricted amounts are not available for other purposes without approval of the Board of Directors.

# Tribal Resources Investment Corporation

## Notes to the Financial Statements

*For the year ended March 31, 2020*

### 12. Contributed equity

The Organization's contributed equity is summarized below:

	<b>2020</b>	<b>2019</b>
Native Economic Development Program	<b>4,000,000</b>	4,000,000
Aboriginal Economic Program	<b>3,000,000</b>	3,000,000
Forest Renewal British Columbia	<b>500,000</b>	500,000
ABC Youth Program	<b>73,685</b>	73,685
NACCA Youth Program	<b>45,000</b>	45,000
AANDC Expansion of Capital Corporation Fund	<b>950,000</b>	950,000
	<b>8,568,685</b>	8,568,685

Contributed equity consists of Federal government-provided assistance for the purpose of lending to Status, Non-Status and Metis Indian entrepreneurs of Northwestern British Columbia. In order to secure the performance requirements of the Contribution Agreement, the Organization has granted a general security interest on its assets to the Federal Government. In the event that the Organization ceases operations, it will transfer its assets to another approved aboriginally-owned and controlled economic development corporation.

In July 1989, an agreement was reached under the Native Economic Development Program whereby the Organization received \$4,000,000 in contributed equity in the first three years of operations. In March 1994, additional funds of \$3,000,000 in contributed equity were allocated under the Aboriginal Economic Program.

The Organization's agreement under the ABC Youth Program has concluded. As the Organization complied with the terms of the contribution agreement, the remaining funds of \$73,685 have reverted to the Organization.

In March 2012, an agreement was reached under the AANDC Expansion of Capital Corporation Fund project whereby the Organization received \$950,000 in contributed equity effective April 1, 2011 to capitalize the Organization's fund for providing developmental loans.

On March 1, 1998, an agreement was reached with NACCA whereby the Organization will receive a flexible transfer payment to be used at the discretion of the Organization within the guidelines of the agreement. The funding will be used to provide seed capital financing and mentoring/business plan development to First Nations and Inuit youth in the Province of British Columbia.

### 13. Related party transactions

During the year, the Organization leased vehicles from Nesika Management Limited, for \$11,429 (2019 - \$11,429).

The Organization has in place a conflict of interest policy with respect to any loans that are disbursed to related parties.

The Organization received management fees from Nesika Management Limited, in the amount of \$10,200 (2019 - \$10,200).

The related party transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

### 14. Financial instruments

The Organization, as part of its operations, carries a number of financial instruments. It is management's opinion that the Organization is not exposed to significant interest, currency, credit, liquidity or other price risks arising from these financial instruments except as otherwise disclosed.



# Tribal Resources Investment Corporation

## Notes to the Financial Statements

For the year ended March 31, 2020

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### 14. Financial instruments *(Continued from previous page)*

#### **Credit risk**

The Organization is exposed to financial risk that arises from the credit quality of the entities to which it provides services. Credit risk arises from the possibility that the entities to which the Organization provides services may experience financial difficulty and be unable to fulfil their obligations. Management reduces its credit risk by implementing prepayment programs and implementing active collection programs. In addition, the Organization's clients are numerous and diverse, which reduces the concentration of credit risk.

The Organization is subject to credit risk with respect to the collection of its accounts receivable and loans receivable, which include loans to First Nations groups and businesses operating in the logging and fishing industries. To manage its credit risk, management has established policies which involve investigating credit history, monitoring credit terms, granting credit only to borrowers with established relationships or acceptable credit ratings, and analyzing the ongoing financial performance of its borrowers, all on a project-by-project basis.

#### **Interest rate risk**

The Organization's earnings are subject to fluctuations in interest rates and the degree of volatility of these rates. The Organization does not use derivative instruments to reduce its exposure to interest rate risk.

The Organization manages its cash based on its cash flow needs and to optimize its interest income and reduce its interest expense.

The Organization's operating line of credit bears interest at a variable rate (see Note 8).

#### **Liquidity risk**

Liquidity risk is the risk that the Organization will encounter difficulty in meeting obligations associated with financial liabilities. The Organization's exposure to liquidity risk is dependent on the collection of accounts and loans receivable, purchasing commitments and obligations or raising funds to meet commitments and sustain operations.

The Organization manages its liquidity risk through cash and debt management and monitors the financial obligations associated with its operating activities.

### 15. 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 Organization 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 measures that are currently, or may be put, in place by Canada and other countries to fight the virus.

**Tribal Resources Investment Corporation**  
**Schedule 1 - Employment and Social Development Canada - Indigenous Skills and**  
**Employment Training Program Revenues and Expenses**

*For the year ended March 31, 2020*

	2020	2019
<b>Revenue</b>		
Consolidated Revenue Funds (Schedule 2)	3,850,755	3,745,892
Current year funding not utilized (Schedule 2)	(403,288)	-
Interest (Schedule 2)	21,201	7,563
Employment Insurance Funds (Schedule 3)	1,848,131	1,650,046
Current year funding not utilized (Schedule 3)	(279,261)	(162,431)
First Nations Child Care Funds (Schedule 4)	931,764	931,765
Prior year funding not utilized (Schedule 4)	162,431	85,020
	<b>6,131,733</b>	<b>6,257,855</b>
<b>Expenses</b>		
<b>Agreement holder programs</b> (Schedule 2), (Schedule 3)		
Community programs - proposal driven	1,029,257	1,226,916
Core program services	926,939	1,383,583
Job supplement - skill development - non-trades	2,341,240	1,735,453
Youth initiatives - work experience, conference	146,866	162,259
	<b>4,444,302</b>	<b>4,508,211</b>
<b>Childcare programs</b> (Schedule 4)	<b>868,002</b>	<b>943,502</b>
<b>Partnership initiative</b> (Schedule 2), (Schedule 3)	<b>141,199</b>	<b>162,268</b>
<b>Agreement holder administration costs</b> (Schedule 2), (Schedule 3), (Schedule 4)		
Capacity building	1,203	-
Non-salary operating costs	186,015	162,959
Professional fees	43,365	40,473
Salaries, wages and related costs	447,647	440,442
	<b>678,230</b>	<b>643,874</b>
	<b>6,131,733</b>	<b>6,257,855</b>
<b>Excess of revenue over expenses</b>	<b>-</b>	<b>-</b>

**Tribal Resources Investment Corporation**  
**Schedule 2 - Consolidated Revenue Funds Revenues and Expenses**

*For the year ended March 31, 2020*

	2020	2019
<b>Revenue</b>		
Consolidated Revenue Funds	3,850,755	3,745,892
Interest	21,201	7,563
Current year funding not utilized	(403,288)	-
	<b>3,468,668</b>	<b>3,753,455</b>
<b>Expenses</b>		
<b>Agreement holder programs</b>		
Community programs - proposal driven	493,936	862,400
Core program services	718,723	1,272,477
Job supplement - skill development - non-trades	1,629,242	908,933
Youth initiatives - work experience, conference	146,866	162,259
	<b>2,988,767</b>	<b>3,206,069</b>
<b>Partnership initiative</b>	<b>99,000</b>	<b>150,395</b>
<b>Agreement holder administration costs</b>		
Capacity building	1,203	-
Non-salary operating costs	169,564	146,456
Professional fees	43,365	40,473
Salaries, wages and related costs	166,769	210,062
	<b>380,901</b>	<b>396,991</b>
	<b>3,468,668</b>	<b>3,753,455</b>
<b>Excess of revenue over expenses</b>	<b>-</b>	<b>-</b>

**Tribal Resources Investment Corporation**  
**Schedule 3 - Employment Insurance Revenues and Expenses**

*For the year ended March 31, 2020*

	<b>2020</b>	<b>2019</b>
<b>Revenue</b>		
Employment Insurance Funds	<b>1,848,131</b>	1,650,046
Current year funding not utilized	<b>(279,261)</b>	(162,431)
Prior year funding not utilized	<b>162,431</b>	-
	<b>1,731,301</b>	1,487,615
<b>Expenses</b>		
<b>Agreement holder programs</b>		
Community programs - proposal driven	<b>535,321</b>	364,516
Core program services	<b>208,216</b>	111,106
Job supplement - skill development - non-trades	<b>711,998</b>	826,520
	<b>1,455,535</b>	1,302,142
<b>Partnership initiative</b>		
Regional leaders forum	<b>42,199</b>	11,873
<b>Agreement holder administration costs</b>		
Salaries, wages and related costs	<b>233,567</b>	173,600
	<b>1,731,301</b>	1,487,615
<b>Excess of revenue over expenses</b>	<b>-</b>	-

**Tribal Resources Investment Corporation**  
**Schedule 4 - First Nations Child Care Funds Revenues and Expenses**

*For the year ended March 31, 2020*

	<b>2020</b>	<b>2019</b>
<b>Revenue</b>		
First Nations Child Care Fund	<b>931,764</b>	931,765
Prior year funding not utilized	-	85,020
	<b>931,764</b>	1,016,785
<b>Expenses</b>		
Childcare programs	<b>868,002</b>	906,504
Capital costs	-	7,863
Professional development and cultural	-	29,135
	<b>868,002</b>	943,502
<b>Agreement holder administration costs</b>		
Non-salary operating costs	<b>16,451</b>	16,503
Salaries, wages and related costs	<b>47,311</b>	56,780
	<b>63,762</b>	73,283
	<b>931,764</b>	1,016,785
<b>Excess of revenue over expenses</b>	<b>-</b>	<b>-</b>

**Tribal Resources Investment Corporation**  
**Schedule 5 - Aboriginal Business Financing Program Revenue and Expenses**

*For the year ended March 31, 2020*

	<b>2020</b>	<b>2019</b>
<b>Revenue</b>		
Contributions	<b>789,806</b>	874,123
Prior year funding not utilized	<b>2,108</b>	
Current year funding not utilized	<b>-</b>	(2,108)
	<b>791,914</b>	<b>872,015</b>
<b>Expenses</b>		
Advertising	<b>4,332</b>	4,000
Board of Directors	<b>1,000</b>	1,000
Disbursements	<b>652,259</b>	734,468
General manager and administration support	<b>15,000</b>	15,000
Office and miscellaneous	<b>7,084</b>	9,868
Professional fees	<b>10,491</b>	10,837
Rent and occupancy	<b>5,000</b>	5,000
Salaries and benefits	<b>79,863</b>	83,112
Training and education	<b>3,000</b>	-
Travel	<b>13,885</b>	8,730
	<b>791,914</b>	<b>872,015</b>
<b>Excess of revenue over expenses</b>	<b>-</b>	<b>-</b>

**Tribal Resources Investment Corporation**  
**Schedule 6 - Skills and Partnership Fund Revenues and Expenses**

*For the year ended March 31, 2020*

	2020	2019
<b>Revenue</b>		
Skills and Partnership Fund	732,139	918,032
Interest	864	1,379
Prior year funding not utilized	234,939	104,923
Current year funding not utilized	-	(234,939)
	<b>967,942</b>	<b>789,395</b>
<b>Expenses</b>		
<b>Participant expenses</b>		
Client assessments	4,059	5,289
Living allowances	158,228	179,927
Participant trades training	551,322	344,946
Participant supplies	4,535	6,440
Industry certifications	-	850
	<b>718,144</b>	<b>537,452</b>
<b>Agreement holder administration costs</b>		
Materials and supplies	8,067	7,818
Overhead costs	6,050	6,206
Professional fees	10,000	10,000
Salaries, wages and related costs	188,283	183,755
Staff and management travel	13,882	9,604
Staff training	2,291	13,335
Rent	21,225	21,225
	<b>249,798</b>	<b>251,943</b>
	<b>967,942</b>	<b>789,395</b>
<b>Excess of revenue over expenses</b>	<b>-</b>	<b>-</b>

**Tribal Resources Investment Corporation**  
**Schedule 7 - General Operations Revenue and Expenses**

*For the year ended March 31, 2020*

	2020	2019
<b>Revenue</b>		
Administration fees	6,278	7,391
Bank interest	16,728	16,566
Employer benefit loan interest	26,398	28,426
Loan interest	166,005	166,437
Management fees	10,200	10,200
NACCA - Aboriginal Development Lending Assistant	75,411	104,716
Other Income	113,190	44,932
Rental Income	13,200	13,200
New Relationship Trust - West Coast Energu Fund - GAP Analysis	-	255,460
New Relationship Trust - West Coast Energu Fund - NW ACE Portal	-	283,500
	<b>427,410</b>	<b>930,828</b>
<b>Expenses</b>		
Advertising	9,704	9,920
Amortization	2,720	44,910
Equipment lease	1,348	1,425
Bank charges and interest	-	131
Board of Directors	20,123	23,056
Credit Investigations	1,506	1,380
Distributor fees	6,435	7,380
Insurance	540	160
Office and Miscellaneous	16,210	16,904
Professional fees	21,677	17,946
Provision for loan loss	32,070	(26,898)
Rent and occupancy	34,167	54,975
Salaries and benefits	135,689	174,183
Telephone	1,225	2,301
Training and education	465	684
Travel	21,549	16,013
New Relationship Trust - West Coast Energu Fund - GAP Analysis	-	255,460
New Relationship Trust - West Coast Energu Fund - NW ACE Portal	-	283,500
	<b>305,428</b>	<b>883,430</b>
<b>Excess of revenue over expenses</b>	<b>121,982</b>	<b>47,398</b>



**Tribal Resources Investment Corporation**  
**Schedule 8 - Aboriginal Community Career Employment Services Society - BladeRunners**  
**Revenue and Expenses**

*For the year ended March 31, 2020*

	2020	2019
<b>Revenue</b>		
<b>ACCESS</b>		
Contributions	116,100	98,900
<b>Expenses</b>		
BladeRunners - Programs	73,214	83,421
Office and miscellaneous	411	-
Rent and occupancy	900	-
Salaries and benefits	943	-
Telephone	1,254	-
Stipend	8,085	8,415
Travel	4,172	7,064
	<b>88,979</b>	<b>98,900</b>
<b>Excess of revenue over expenses</b>	<b>27,121</b>	<b>-</b>

**Tribal Resources Investment Corporation**  
**Schedule 9 - New Relationship Trust - First Nations Equity-Matching Initiative Revenue and Expenses**

*For the year ended March 31, 2020*

	<b>2020</b>	<b>2019</b>
<b>Revenue</b>		
Contributions	<b>25,000</b>	50,000
Prior year funding not utilized	<b>9,711</b>	10,105
Current year funding not utilized	<b>(15,611)</b>	(9,711)
	<b>19,100</b>	50,394
<b>Expenses</b>		
Equity expenditures - New Relationship Trust	<b>19,100</b>	50,394
<b>Excess of revenue over expenses</b>	<b>-</b>	<b>-</b>

**Tribal Resources Investment Corporation**  
**Schedule 10 - Enabling Accessibility Fund Revenues and Expenses**

*For the year ended March 31, 2020*

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	<b>2020</b>	<b>2019</b>
<hr/>		
<b>Revenue</b>		
Prior year funding not utilized	-	50,000
Other funding	-	16,800
	-	66,800
<hr/>		
<b>Expenses</b>	-	50,000
<hr/>		
<b>Excess of revenue over expenses</b>	-	16,800

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**Tribal Resources Investment Corporation**  
**Schedule 11 - Schedule of Income Assistance Pre-Employment Supports Revenue and Expenses**

*For the year ended March 31, 2020*

	2020	2019
<b>Revenue</b>		
<b>Indigenous Services Canada</b>		
Contribution	750,000	150,002
Interest	2,037	12
Current year funding not utilized	(652,734)	(130,496)
Prior year funding not utilized	130,496	-
	<b>229,799</b>	<b>19,518</b>
<b>Expenses</b>		
Client supports	26,478	100
<b>Agreement holder administration costs</b>		
Service delivery infrastructure	55,179	5,992
Support staff costs	48,487	8,044
Participant transitional support costs	638	-
Salaries and benefits	99,017	5,382
	<b>203,321</b>	<b>19,418</b>
	<b>229,799</b>	<b>19,518</b>
<b>Excess of revenue over expenses</b>	<b>-</b>	<b>-</b>

**Tribal Resources Investment Corporation**  
**Schedule 12 - SPF - TransCanada Corporation Revenue and Expenses**

*For the year ended March 31, 2020*

	2020	2019
<b>Revenue</b>		
TransCanada Corporation	-	54,534
Interest	-	(83)
Current year funding not utilized	-	(36,340)
Prior year funding not utilized	<b>36,340</b>	-
	<b>36,340</b>	<b>18,111</b>
<b>Expenses</b>		
<b>Agreement holder administration costs</b>		
Accommodations	<b>45</b>	3,919
Meal allowances	-	217
Telephone	<b>2,935</b>	5,001
Travel	<b>33,360</b>	8,974
	<b>36,340</b>	<b>18,111</b>
<b>Excess of revenue over expenses</b>	<b>-</b>	<b>-</b>

# Tribal Resources Investment Corporation

## Schedule 13 - Futurepreneur Canada Equity Matching Program Revenues and Expenses

*For the year ended March 31, 2020*

	<i>2020</i>	<i>2019</i>
<b>Revenue</b>		
Prior year funding not utilized	-	3,000
<b>Expenses</b>		
Equity expenditures	-	3,000
<b>Excess of revenue over expenses</b>	-	-

**Tribal Resources Investment Corporation**  
**Schedule 14 - National Aboriginal Capital Corporation Association Training Program Revenue**  
**and Expenses**

*For the year ended March 31, 2020*

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	<i>2020</i>	<i>2019</i>
<b>Revenue</b>		
NACCA - Support and Training	-	26,270
<b>Expenses</b>		
Training and education	-	26,270
<b>Excess of revenue over expenses</b>	-	-

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