

**UNION BAR FIRST NATIONS**  
**Financial Statements**  
**Year Ended**  
**March 31, 2020**



# **UNION BAR FIRST NATIONS**

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## **UNION BAR FIRST NATIONS**

**March 31, 2020**

### **Management's Responsibility**

#### **To the members of Union Bar First Nations**

The accompanying financial statements of Union Bar First Nations are the responsibility of management and have been approved by the Chief.

Management is responsible for the preparation and presentation of the accompanying financial statements, including responsibility for significant accounting judgments and estimates in accordance with Canadian generally accepted accounting principles. 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 financial statements, management designs and maintains the necessary accounting systems and related internal controls to provide reasonable assurance that the transactions are authorized, assets are safeguarded and financial records are properly maintained to provide reliable information for the preparation of financial statements.

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

Joe Martin, CPA, an independent Chartered Professional Accountant, is appointed by the chief to audit the financial statements and report directly to them; their report follows. The external auditors have full and free access to, and meet periodically and separately with, both the Chief and management to discuss the audit findings.

July 29, 2020



Chief



# **UNION BAR FIRST NATIONS**

**March 31, 2020**

## **Independent Auditor's Report**

### **To the Members of the Union Bar First Nations:**

I have audited the accompanying financial statements of the Union Bar First Nations, 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.

#### **Qualified Opinion**

In my opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements present fairly in all material respects the financial position of the Union Bar First Nations as of March 31, 2020, and the results of its operations, changes in net financial assets and cash flows for the year then ended in accordance with Canadian public sector accounting standards.

#### **Basis for Qualified Opinion**

Beginning January 01, 2009, generally accepted accounting principles require that the Band record the net value of tangible capital assets in its financial statements. The Band has not applied these new financial reporting standards. Because the band did not provide the accountants with a completed capital asset register reflecting the total cost of tangible capital assets owned by the Band and appropriate accumulated amortization and any impairment to each of those assets, the accountants were unable to determine the net value of tangible capital assets that should have been recorded as an asset and the related amortization or impairment that should have been recorded as an expense in the current and prior years.

In 2020 year end the Nation's financial records for the campground revenue were incomplete. The financial records for campground revenue had to be prepared using the bank statements to record revenue generated by the campground. Because till tapes and reconciliations of campground cash had not been recorded throughout the year the revenue from the campground was limited to amounts deposited in the campground bank account.

#### **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 First Nations ability to continue as a going concern and using the going concern basis of accounting unless management either intends to liquidate the First Nations or to cease operations, or has no realistic alternative to do so.

Those charged with governance are responsible for overseeing the First Nations financial reporting process.

#### **Auditors Responsibility**

My objectives are 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 auditor's report that includes my 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, I exercise professional judgment and maintain professional skepticism throughout the audit.

I 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 Entity'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 Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, I am 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 my opinion. My 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 Entity to cease to continue as a going concern.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified audit opinion.

#### **Other Information**

The supplementary schedules are Unaudited and included for informational purposes and have only been audited to the extent of the financial statements taken as a whole.

In 2020 a Specific Land Claim was approved, and the Nation received \$21,428,571 and the right to an increase in the Nations territory of 560 Acres of land.

In 2020 the Nation approved a distribution to members of \$3,571,428 to be paid out by March 31, 2021

In 2020 the Nation committed to the purchase of Government Business Enterprises to be completed by March 31, 2021 in the amount of \$13,175,000 plus closing costs of purchase.

**Joseph W Martin, CPA**



**July 29, 2020**

**Unit D, 46010 Princess Ave., Chilliwack, B.C.**



**Union Bar First Nations**  
**Consolidated Statement of Financial Position**  
**March 31, 2020**

|   | 2020                       | 2019                      |
|---|----------------------------|---------------------------|
| <b>Financial assets</b>                         |                            |                           |
| Cash -current                                   | \$22,162,972               | \$2,081,197               |
| Term deposits                                   | 353,389                    | 861,601                   |
| Term deposit held First Nations Gaming eligible | 264,790                    | ----                      |
| Funds held in trust (long-term)                 | 137,669                    | 135,194                   |
| Accounts receivable                             | 12,911                     | 47,400                    |
| Investments and advances GBE's (Note 6)         | <u>1,956,439</u>           | ----                      |
|   | 24,888,170                 | 3,125,392                 |
| <b>Liabilities</b>                              |                            |                           |
| Accounts payable and accruals (Current)         | 5,739                      | 7,135                     |
| Government remittances payable                  | 36,097                     | 29,615                    |
| Deferred revenue (Note 8 )                      | <u>264,790</u>             | <u>16,800</u>             |
|   | 306,626                    | 53,550                    |
| <b>Net Financial Assets</b>                     | <b>24,581,544</b>          | <b>3,071,842</b>          |
| <b>Non-financial assets</b>                     |                            |                           |
| Tangible capital assets (Note 3)- long-term     | 378,608                    | 408,331                   |
| Prepaid expenses-current                        | <u>20,145</u>              | <u>3,137</u>              |
|   | 398,753                    | 411,468                   |
| <b>Accumulated surplus (Note 4)</b>             | <b><u>\$24,980,297</u></b> | <b><u>\$3,483,310</u></b> |

Approved on behalf of the Council



Chief



**Union Bar First Nations**  
**Statement of Operations and Accumulated Surplus**  
**March 31, 2020**

|   | <b>Budget<br/>2021</b> | <b>2020</b>         | <b>2019</b>        |
|---|------------------------|---------------------|--------------------|
| <b>Revenue</b>                                |                        |                     |                    |
| Aboriginal Affairs and Northern development   |                        |                     |                    |
| Canada (See Note 5)                           |                        |                     |                    |
| Indian Registry (2057)                        | \$5,000                | \$5,000             | \$5,000            |
| Band Support (1011)                           | 78,000                 | 75,698              | 75,020             |
| Fire Protection (8773)                        | 360                    | 240                 | 240                |
| Municipal Services (8769)                     | 7,000                  | 6,869               | 7,260              |
| Roads and bridges (8767)                      | 8,200                  | 8,610               | 8,463              |
| Water Systems (8566)                          | 6,000                  | 6,154               | 6,010              |
| Community based initiative                    | ---                    | 40,000              | 40,000             |
| Covid Response Benefit                        | ---                    | 5,838               |                    |
| Government Business Enterprises               | 453,000                | ----                | ---                |
| Interest Income                               | 20,000                 | 40,205              | 27,684             |
| Ottawa Trust Interest and royalties           | 2,500                  | 2,475               | 3,321              |
| Land Settlement Grant                         | -                      | 21,428,571          | ---                |
| BCFN Gaming                                   | 530,000                | ----                | ---                |
| Forestry income- timber rights                | 80,000                 | 83,233              | 82,970             |
| Trans Mountain                                | 50,000                 | 337,792             |                    |
| Campground                                    | ---                    | <u>339,940</u>      | <u>327,264</u>     |
|   | 1,240,060              | 22,380,625          | 583,232            |
| <b>Expenses</b>                               |                        |                     |                    |
| Administration                                | 4,070,000              | 407,742             | 337,456            |
| Maintenance                                   | 40,000                 | 22,400              | 38,295             |
| Campground                                    | ----                   | 380,637             | 322,636            |
| Capital                                       | <u>75,000</u>          | <u>72,859</u>       | <u>84,088</u>      |
|   | 4,185,000              | 883,638             | 782,475            |
| <b>Surplus (deficit)</b>                      | (2,944,940)            | 21,496,987          | (199,243)          |
| <b>Accumulated surplus, beginning of year</b> | <u>24,980,297</u>      | <u>3,483,310</u>    | <u>3,682,553</u>   |
| <b>Accumulated surplus, end of year</b>       | <u>\$22,035,357</u>    | <u>\$24,980,297</u> | <u>\$3,483,310</u> |



## **Union Bar First Nations**

Statement of Change in Net Financial Assets  
March 31, 2020

|   | 2020                | 2019               |
|---|---------------------|--------------------|
| <b>Annual Surplus (deficit)</b>                 | <b>\$21,496,987</b> | <b>\$(199,243)</b> |
| Purchases of tangible capital assets            | (43,136)            | (195,810)          |
| Amortization                                    | 72,859              | 84,088             |
| Acquisition of prepaid expenses                 | (17,008)            | ---                |
| Proceeds of disposal of tangible capital assets |                     | 5,766              |
| Loss (gain) on sale of tangible capital assets  |                     | ---                |
| Increase (decrease) in net financial assets     | 21,509,702          | (305,199)          |
| Net financial assets, beginning of year         | <u>3,071,842</u>    | 3,377,041          |
| Net financial assets, end of year               | <u>\$24,581,544</u> | <u>\$3,071,842</u> |



# Union Bar First Nations

## Statement of Cash Flows

For the Year Ended March 31, 2020

|   | 2020                       | 2019                      |
|---|----------------------------|---------------------------|
| <b>Annual operating surplus (deficit)</b>               | <b>\$21,496,987</b>        | <b>\$(199,243)</b>        |
| <b>Financial Statement Items Not Involving Cash</b>     |                            |                           |
| Amortization  | 72,859                     | 84,088                    |
| Loss (gain) on sale of tangible capital assets          | ---                        | ---                       |
| <b>Net Change in Non-Cash Working Capital Balances:</b> |                            |                           |
| Accounts receivable                                     | 34,489                     | (47,400)                  |
| Prepaid   | (17,008)                   | ---                       |
| Accounts Payable and deferred revenue                   | <u>253,076</u>             | <u>35,719</u>             |
| <b>Cash Flows from (Used) In Operating Activities</b>   | <b>21,840,403</b>          | <b>(126,836)</b>          |
| <b>Cash flows from Investing Activities:</b>            |                            |                           |
| Purchase of tangible Assets                             | (43,136)                   | (195,810)                 |
| Purchase of government business enterprises             | <u>(1,956,439)</u>         | <u>5,766</u>              |
|   | (1,999,575)                | (190,044)                 |
| <b>Increase (Decrease) In Cash for The Period</b>       | <b>19,840,828</b>          | <b>(316,880)</b>          |
| <b>Cash and Equivalents, Beginning of the Year</b>      | <b><u>3,077,992</u></b>    | <b><u>3,394,872</u></b>   |
| <b>Cash and Equivalents, End of the Year</b>            | <b><u>\$22,918,820</u></b> | <b><u>\$3,077,992</u></b> |
| <b>Consisting of</b>                                    |                            |                           |
| Cash  | \$22,162,972               | \$2,081,197               |
| Term deposits   | 618,179                    | 861,601                   |
| Funds held in trust                                     | <u>137,669</u>             | <u>135,194</u>            |
|   | <u>\$22,918,820</u>        | <u>\$3,077,992</u>        |
| <b>Supplementary information</b>                        |                            |                           |
| Interest earned   | \$42,680                   | \$27,684                  |



# **Union Bar First Nations**

Notes to Financial Statements

Year Ending March 31, 2020

## **1. Operations**

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

## **2. Significant accounting policies**

These financial statements are the representations of management, prepared in accordance with Canadian generally accepted accounting principles for public sector entities and include the following significant accounting policies:

### **Basis of presentation**

Sources of financing and expenditures are recorded on the accrual basis of accounting. The accrual basis of accounting recognizes revenues as they become available and measurable; expenditures 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.

### **Investments in government business enterprises:**

Union bar accounts for its investments in its government business enterprises using the modified equity method. Under this method, Union bar's investment in the business enterprises and its net income and other changes in equity are recorded. No adjustment is made to conform the accounting policies of the government business enterprise to those of Union Bar. Inter-organizational transactions and balances have not been eliminated, except for any profit or loss on transactions of assets that remain within the consolidated Nation entity. The shares are held by the Nation.

At year end the following organizations were government business enterprise's (GBE)

1216749 B.C. Ltd (incorporated to operate lake of the Woods resort)

1240512 B.C. Ltd. (incorporated to purchase and operate commercial real estate mall in downtown Hope)

1240517 B.C. Ltd (incorporated to purchase and operate commercial real estate in downtown Hope)



# **Union Bar First Nations**

Notes to Financial Statements

Year Ending March 31, 2020

## **Tangible capital assets**

Prior to April 1, 1996, acquired tangible capital assets were recognized as operating expenditures and not reported in the capital fund.

|                            | <b>Rate</b> |
|----------------------------|-------------|
| Automotive equipment       | 5 years     |
| Building and bridge        | 20 years    |
| Computer equipment         | 2 years     |
| Tools and office equipment | 3 years     |
| Contracting equipment      | 5 years     |
| Signs                      | 5 years     |
| Paving                     | 10 years    |
| Sawmill                    | 10 years    |

## **Funds held in Ottawa Trust Fund**

Funds held in trust on behalf of Band members by the Government of Canada in the Ottawa Trust Fund are reported on the balance sheet with an offsetting amount in accumulated surplus. Trust monies consist of:

- Capital trust monies derived from non-renewable resource transactions on the sale of land or other Band capital assets; and
- Revenue trust monies generated primarily through land leasing transactions or interest earned on deposits held in trust.

## **Revenue recognition**

### **Funding**

Revenue is recognized as it becomes receivable under the terms of applicable government funding agreements. Funding received under funding arrangements that relate to a subsequent fiscal period are reflected as deferred revenue on the balance sheet in the year of receipt.

### **Other revenues**

Kawkawa Lake Resort revenues from camping, campground usage and store operations are recognized when services are provided and the inventory item sold.

Forestry and land use revenues are recognized in the period in which the external party accessed the Band's land.

### **Measurement uncertainty**

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the



# **Union Bar First Nations**

Notes to Financial Statements  
Year Ending March 31, 2020

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 expenditures during the reporting period.

## **Financial Instruments**

The Band's financial instruments consist of cash, term deposits, and accounts payables. It is management's position that the band is not exposed to significant interest, liquidity, currency, market, other price, or credit risks arising from the financial instruments. The fair values of the financial instruments approximate the carrying value due to the immediate or short-term maturity of these instruments.

## **Recent accounting pronouncements:**

### **Tangible capital assets**

In September 2006, the Public Sector Accounting Board (PSAB) issued amendments to the

In February 2007, PSAB revised PSG-7 Tangible Capital Assets of Local Governments with transitional guidance on reporting tangible capital asset information in their financial statements prior to adoption of PS 3150. This guideline requires local governments to disclose the cost, additions, disposals, impairment, amortization, and accumulated amortization of each category of tangible capital assets.

Union Bar First Nations has not yet begun the process of accumulating all the relevant information required for identifying and reporting tangible capital assets with the guidance from PS 3150.

## **See Basis for Qualified Opinion in the Independent Auditors Report.**

### **Government transfers:**

In March 2011, the Public Sector Accounting Board replaced and revised the existing section PS 3410 Government Transfers with a newly amended section PS 3410. Newly issued PS 3410 establishes standards on how to account for and report government transfers to individuals, organizations, and other governments from both a transferring government and a recipient government perspective. This section permits a recipient government to recognize government transfers as revenue when the transfer is authorized by the transferring government, unless the transfer creates a liability for the recipient. A liability is created as a result of the recipient government not yet meeting eligibility criteria or the existence of stipulations in the transfer agreement. When a government transfer results in recognition of a liability, revenue is recognized by a recipient government as the liability is settled. A transferring government recognizes an expense when the transfer is authorized, and the recipient has met all eligibility criteria.



# Union Bar First Nations

Notes to Financial Statements  
Year Ending March 31, 2020

As a result of the Department of Indian and Northern Affairs requiring First Nations to apply Canadian public sector accounting standards, the Band must follow the requirements of this section. Newly revised and issued PS 3410 may be applied prospectively or retroactively and is affective for fiscal years beginning on or after April 01, 2012; however earlier adoption is encouraged. PS 3410 has been adopted prospectively and the adoption has not had any material impact on its financial statements.

### 3. Tangible capital assets

2019

|                       | Cost             | Additions        | Disposals     | Accumulated amortization | 2019 Net book value |
|-----------------------|------------------|------------------|---------------|--------------------------|---------------------|
| Buildings             | \$195,655        | ---              | ---           | 19,076                   | \$176,579           |
| Equipment             | 224,101          | 12,289           |               | 159,510                  | 76,880              |
| Bridges               | 7,200            | ---              | ---           | 5,349                    | 1,851               |
| Computers             | 2,641            | ---              | ---           | 2,601                    | 40                  |
| Automotive            | 33,513           |                  | 17,355        | 10,245                   | 5,913               |
| Contracting equipment | 24,822           | 178,881          |               | 59,056                   | 144,647             |
| Paving                | 3,160            | ---              | ---           | 2,831                    | 329                 |
| Sawmill               | 18,650           | ---              | ---           | 17,423                   | 1,227               |
| Signs                 | 17,929           | ---              | ---           | 17,064                   | 865                 |
|                       | <u>\$527,671</u> | <u>\$191,170</u> | <u>17,355</u> | <u>\$293,155</u>         | <u>\$408,331</u>    |

2020

|                       | Cost             | Additions       | Disposals  | Accumulated amortization | 2020 Net book value |
|-----------------------|------------------|-----------------|------------|--------------------------|---------------------|
| Buildings             | \$195,655        | ---             | ---        | \$27,905                 | \$167,750           |
| Equipment             | 236,390          | 2,135           | ---        | 184,787                  | 53,738              |
| Bridges               | 7,200            | ---             | ---        | 5,442                    | 1,758               |
| Computers             | 2,641            | ---             | ---        | 2,621                    | 20                  |
| Automotive            | 16,158           | ---             | ---        | 11,427                   | 4,731               |
| Contracting equipment | 203,703          | 41,001          | ---        | 96,186                   | 148,518             |
| Paving                | 3,160            | ---             | ---        | 2,864                    | 296                 |
| Sawmill               | 18,650           | ---             | ---        | 17,545                   | 1,105               |
| Signs                 | 17,929           | ---             | ---        | 17,237                   | 692                 |
|                       | <u>\$701,486</u> | <u>\$43,136</u> | <u>---</u> | <u>\$366,014</u>         | <u>\$378,608</u>    |

Amortization expense of \$72,859 was recorded in Administration expense in 2020.



# **Union Bar First Nations**

Notes to Financial Statements

Year Ending March 31, 2020

## **4. Accumulated surplus consists of the following:**

|                                    | 2020                | 2019               |
|------------------------------------|---------------------|--------------------|
| Equity in Ottawa Trust Funds       | \$137,669           | \$135,194          |
| Equity in tangible capital assets  | 378,608             | 408,331            |
| BC First Nations Gaming Restricted | 264,790             | ----               |
| Unrestricted surplus               | <u>24,199,230</u>   | <u>2,939,785</u>   |
|                                    | <u>\$24,980,297</u> | <u>\$3,483,310</u> |

## **5 – Reconciliation of INAC Revenue**

Reconciliation of INAC Revenue from Statement of Operations to Funds Reported on 2019-2020  
Funding Confirmation  
March 31, 2020

| <b>Reconciliation of INAC<br/>Revenue Statement:</b>               | Reported on<br>FS | Recoveries   | AANDC<br>Funding per<br>2020 Report |
|--|-------------------|--------------|-------------------------------------|
| <b>Revenue</b>   |                   |              |                                     |
| Aboriginal Affairs and Northern development<br>Canada (See Note 5) |                   |              |                                     |
| Indian Registry (2057)   | \$5,000           | ---          | \$5,000                             |
| Band Support (1011)  | 75,698            | ---          | 75,698                              |
| Fire Protection (8773)   | 240               | ---          | 240                                 |
| Municipal Services (8769)  | 6,869             | ---          | 6,869                               |
| Roads and bridges (8767)   | 8,610             | ---          | 8,610                               |
| Water Systems (8566)   | 6,154             | ---          | 6,154                               |
| Community based initiative   | 40,000            |              | 40,000                              |
| Co-Vid Response Benefit  | <u>5,838</u>      |              | <u>5,838</u>                        |
|  | <u>\$148,409</u>  | <u>\$---</u> | <u>\$148,409</u>                    |



## **Union Bar First Nations**

Notes to the Financial Statements  
Year Ending March 31, 2020

### **6. Investments in and Advances to government business enterprises:**

Condensed financial information for Union Bar's government business enterprises is as follows

|                        | 1216749 B.C.<br>Ltd (Lake of<br>the Woods) | 1240512 B.C.<br>Ltd. (Mall) | 1240517 B.C.<br>Ltd. (Industrial<br>Property) | Total       |
|------------------------|--|-----------------------------|---|-------------|
| Investment properties  | \$1,891,143                                | \$65,295                    | 1   | \$1,956,439 |
| Due to Related Parties | 1,891,142                                  | 65,294                      | ---   | 1,956,436   |
| Equity                 | 1  | 1                           | 1   | 3           |
| Revenues               | ---  | ---                         | ---   | ---         |
| Expenses               | ---  | ---                         | ---   | ---         |
| Net Income             | ---  | ---                         | ---   | ---         |

The investment and advances to government business enterprises are as follows:

#### **1216749 B.C. Ltd (Lake of the Woods) (Note A)**

|   |                              |
|---|------------------------------|
| Investment  | \$1                          |
| Accumulated net draws                                       |                              |
| Advances (non-interest bearing no specific repayment terms) | 1,891,142                    |
| Accumulated modified equity income                          | <u>      </u><br>\$1,891,143 |

#### **1240512 B.C. Ltd. Mall property (note B)**

|   |                           |
|---|---------------------------|
| Investment  | \$1                       |
| Accumulated net draws                                       | <u>      </u>             |
| Advances (non-interest bearing no specific repayment terms) | 65,294                    |
| Accumulated modified equity income                          | <u>      </u><br>\$65,295 |



# **Union Bar First Nations**

Notes to the Financial Statements  
Year Ending March 31, 2020

2020

## **1240517 B.C. Ltd. Industrial Property (Note C)**

|  |                  |
|--|------------------|
| Investment   | \$1              |
| Accumulated net draws                                      | ----             |
| Advances (non-interest bearing no specific repayment terms | ---              |
| Accumulated modified equity income                         | ---              |
| Total  | <u>1,956,439</u> |

- a) In 2019 Union Bar incorporated 1216749 B.C. Ltd. to operate the lake of the Woods property. The purchase of the property was completed November 26, 2019 and the Nation is in the process of preparing the property for operation.
- b) In 2019 Union Bar incorporated 1240512 B.C. Ltd. to purchase and operate property in downtown Hope currently renting to a commercial grocery store and a Liquor Store. The sale was completed after year end and the balance showing in the current year financial records represents the down payment on the purchase of the property. The sale was completed June 02, 2020 for a sale price of \$9,075,000
- c) In 2019 Union bar incorporated 1240517 B.C. Ltd. to purchase and operate property in the Industrial Section of Hope. The sale was completed July 03, 2020 for an agreed upon purchase price of \$4,100,000. The balance in the current year financial records is the share cost of the initial investment.

## **7. Commitments:**

### **(a) Purchase Agreements**

The Nation has committed to purchase the following properties through limited companies incorporated for the purpose of purchasing commercial real estate:

1240517 B.C. Ltd. has committed to purchase property in downtown Hope currently operating and renting property to a commercial grocery store and a liquor store. The purchase price agreed upon was \$9,075,000 and at year end date a down payment on the purchase was made in the amount of

1240517 B.C. Ltd. has committed to purchase property in the industrial area of Hope for the agreed upon purchase price of \$4,100,000. At year end date the only financial investment in the property was the share structure of incorporating the property.



## **Union Bar First Nations**

Notes to the Financial Statements  
Year Ending March 31, 2020

### **(b) Band Member Surplus Distribution:**

At year end date by First Nation resolution, the Nation committed to disburse members an approximate amount of \$3,571,428 between April 01, 2020 and March 31, 2021 disbursed equally to all members designated as such by the band membership code.

### **8. Deferred Revenue**

|                               | <b>2020</b>      | <b>2019</b>     |
|-------------------------------|------------------|-----------------|
| <b>Balance Beginning Year</b> | \$16,800         | \$---           |
| <b>Advance Pipeline</b>       | ----             | 16,800          |
| <b>Expensed Pipeline</b>      | 16,800           | ---             |
| <b>Advance Gaming Funds</b>   | <u>264,790</u>   | ---             |
| <b>Balance End of Year</b>    | <u>\$264,790</u> | <u>\$16,800</u> |

Gaming funds are restricted according to the terms of the British Columbia First Nations Limited Partnership Agreement and are being held for the purpose of expending in 2021 fiscal year ends



## **Union Bar First Nations**

Schedule I- Schedule of Consolidated Revenue and Expenses and Surplus  
Year Ending March 31, 2020

|                               | Beginning Surplus         | AANDC Revenue           | Other Revenue              | Total Revenue              | Total Expenses          | Transfers from (to) Adjustments | Current Operating Surplus (Deficit) |
|-------------------------------|---------------------------|-------------------------|----------------------------|----------------------------|-------------------------|---------------------------------|-------------------------------------|
| <b>Programs</b>               |                           |                         |                            |                            |                         |                                 |                                     |
| Band Support                  | 2 \$2,841,814             | \$121,536               | \$21,889,801               | \$22,011,337               | \$402,742               | \$5,885                         | \$24,444,524                        |
| Band Membership               | 3 ----                    | 5,000                   | ---                        | 5,000                      | 5,000                   | ---                             | ---                                 |
| Community Maintenance         | 4 (31,995)                | 21,873                  | ---                        | 21,873                     | 22,400                  | ---                             | (32,522)                            |
| Kawkawa Lake Resort           | 5 <u>129,966</u>          | <u>148,409</u>          | <u>339,940</u>             | <u>339,940</u>             | <u>380,637</u>          | <u>(37,251)</u>                 | <u>52,018</u>                       |
|                               | 2,939,785                 | 22,229,741              | 22,378,150                 | 810,779                    | (43,136)                | 24,464,020                      |                                     |
| <b>Other restricted Funds</b> |                           |                         |                            |                            |                         |                                 |                                     |
| Capital Fund                  | 6 408,331                 | ----                    | ----                       | 72,859                     | 43,136                  | 378,608                         |                                     |
| Ottawa Trust                  | 7 135,194                 | ----                    | 2,475                      | 2,475                      | ----                    | 137,669                         |                                     |
|                               | <b><u>\$3,483,310</u></b> | <b><u>\$148,409</u></b> | <b><u>\$22,232,216</u></b> | <b><u>\$22,380,625</u></b> | <b><u>\$883,638</u></b> | <b><u>=====</u></b>             | <b><u>\$24,980,297</u></b>          |



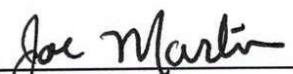
## **NOTICE TO READER**

On the basis of information provided by management, I have compiled the Schedules 2, 3,4,5,6 and 7 of The Union Bar First Nations as at March 31, 2020 and the statements of income and retained earnings for the year ending March 31, 2020

I have not performed an audit or review engagement in respect of these financial statements and, accordingly, I express no assurance thereon.

Readers are cautioned that these statements may not be appropriate for their purposes.

Joe Martin  
Chartered Professional Accountant  
July 29, 2020





## Union Bar First Nations

Schedule 2 – Statement of Consolidated Expense by Object  
For the Year Ended March 31, 2020

|                                     | 2020             | 2019             |
|-------------------------------------|------------------|------------------|
| Accounting/Legal                    | \$102,597        | \$71,867         |
| Advertising                         | ----             | 996              |
| Amortization and building write off | 72,859           | 84,088           |
| Bank Charges and Interest           | 3,388            | 693              |
| Christmas Distributions             | 9,576            | 9,936            |
| Cost of Goods Sold                  | 8,300            | 11,904           |
| Insurance                           | 6,532            | 6,891            |
| Family Assistance                   | 10,540           | ----             |
| Office Expenses                     | 16,524           | 11,907           |
| Repairs and Maintenance             | 56,085           | 72,828           |
| Salaries and Benefits               | 509,756          | 417,342          |
| Student Expenses                    | 7,250            | 5,600            |
| Telephone and Utilities             | 60,976           | 34,166           |
| Travel                              | 19,255           | 36,617           |
| Security                            | ----             | <u>17,640</u>    |
| <b>Totals:</b>                      | <b>\$883,638</b> | <b>\$782,475</b> |