

**Day Star First Nation  
Consolidated Financial Statements**  
*March 31, 2020*

**Day Star First Nation**  
**Contents**  
*For the year ended March 31, 2020*

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## **Management's Responsibility**

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To the Members of Day Star First Nation:

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

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

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

MNP LLP, an independent firm of Chartered Professional Accountants, is appointed by Council to audit the consolidated financial statements and report directly to the Members of Day Star First Nation; their report follows. The external auditors have full and free access to, and may meet periodically and separately with, both the Council and management to discuss their audit findings.

July 27, 2020

"Original Signed By Lorainne Demarais"

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# Independent Auditor's Report

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To the Members of Day Star First Nation:

## Opinion

We have audited the consolidated financial statements of Day Star First Nation (the "First Nation"), which comprise the consolidated statement of financial position as at March 31, 2020, and the consolidated statements of operations and accumulated surplus, changes in net debt cash flows, and the related schedules for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the First Nation as at March 31, 2020, and the results of its consolidated operations, its consolidated changes in net debt and its consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards.

## Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the First Nation in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the First Nation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the First Nation or to cease operations, or has no realistic alternative but to do so.

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

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the First Nation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

## Independent Auditor's Report Continued

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- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the First Nation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the First Nation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the First Nation to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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.

Regina, Saskatchewan

July 27, 2020

**MNP LLP**  
Chartered Professional Accountants

**MNP**

**Day Star First Nation**  
**Consolidated Statement of Financial Position**  
*As at March 31, 2020*

|   | <b>2020</b>      | <b>2019</b> |
|---|------------------|-------------|
| <b>Financial assets</b>                                       |                  |             |
| <b>Current</b>  |                  |             |
| Cash resources  | 1,287,475        | 168,505     |
| Accounts receivable (Note 3)                                  | 409,337          | 571,128     |
| Restricted cash (Note 4)                                      | 52,347           | 1,871       |
|   | <b>1,749,159</b> | 741,504     |
| <b>Portfolio investment (Note 5)</b>                          | <b>2,000,000</b> | -           |
| <b>Investment in Nation business entities (Note 6)</b>        | <b>97,083</b>    | 91,123      |
| <b>Funds held in trust (Note 7)</b>                           | <b>49,779</b>    | 48,990      |
| <b>Restricted cash (Note 4), (Note 16)</b>                    | <b>85,001</b>    | 90,293      |
| <b>Total financial assets</b>                                 | <b>3,981,022</b> | 971,910     |
| <b>Liabilities</b>  |                  |             |
| <b>Current</b>  |                  |             |
| Accounts payable and accruals (Note 9)                        | 344,177          | 298,982     |
| Deferred revenue (Note 10)                                    | 1,258,299        | 588,227     |
| Advances from Day Star Gas Bar & Confectionary Inc. (Note 11) | 8,759            | 31,182      |
| Current portion of long-term debt (Note 12)                   | 288,588          | 283,539     |
|   | <b>1,899,823</b> | 1,201,930   |
| <b>Long-term debt (Note 12)</b>                               | <b>2,430,964</b> | 710,128     |
| <b>Total liabilities</b>                                      | <b>4,330,787</b> | 1,912,058   |
| <b>Net debt</b>   | <b>(349,765)</b> | (940,148)   |
| <b>Contingencies (Note 13)</b>                                |                  |             |
| <b>Non-financial assets</b>                                   |                  |             |
| Tangible capital assets (Note 14) (Schedule 1)                | 4,340,402        | 4,624,155   |
| <b>Accumulated surplus (Note 15)</b>                          | <b>3,990,637</b> | 3,684,007   |

Approved by:

"Original Signed By Lloyd Buffalo" Chief

"Original Signed By Max Itittakoose" Councilor

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

|  | <b>2020<br/>Budget<br/>(Note 22)</b> | <b>2020<br/>Actual</b> | <b>2019<br/>Actual</b> |
|--|--------------------------------------|------------------------|------------------------|
| <b>Revenue</b>   |                                      |                        |                        |
| Indigenous Services Canada (Note 17)                                 | 2,089,892                            | 1,589,050              | 1,172,730              |
| First Nations and Inuit Health Branch (Note 18)                      | 500,861                              | 429,830                | 333,807                |
| Canada Mortgage and Housing Corporation                              | 18,810                               | 64,937                 | 134,348                |
| Prevention retroactive funding                                       | -                                    | 529,491                | -                      |
| Touchwood Agency Tribal Council                                      | 390,406                              | 375,580                | 301,560                |
| Donations  | 200,000                              | 316,200                | 200,000                |
| First Nations Trust  | 168,825                              | 168,825                | 166,667                |
| Community Development Corporation                                    | 151,607                              | 340,755                | 162,637                |
| Other  | 128,497                              | 150,000                | 116,388                |
| Rental income  | 18,611                               | 71,006                 | 115,525                |
| Interest income  | 843                                  | 1,866                  | 1,206                  |
| (Loss) earnings from investment in Nation business entities (Note 6) | -                                    | (31,110)               | 86,472                 |
|  | <b>3,668,352</b>                     | <b>4,006,430</b>       | 2,791,340              |
| <b>Program expenses</b>  |                                      |                        |                        |
| Reserves and Trusts  | 3                                    | 5,000                  | 5,108                  |
| Education  | 4                                    | 735,036                | 345,670                |
| Economic Development   | 5                                    | 30,000                 | 42,082                 |
| Band Government  | 6                                    | 347,138                | 322,639                |
| Operation and Maintenance  | 7                                    | 289,169                | 594,374                |
| Capital  | 8                                    | 656,145                | 145,707                |
| Social Development   | 9                                    | 333,973                | 325,668                |
| Health   | 10                                   | 405,511                | 369,450                |
| Other  | 11                                   | 605,133                | 1,134,120              |
| <b>Total expenditures (Schedule 2)</b>                               | <b>3,407,105</b>                     | <b>3,699,800</b>       | 2,725,622              |
| <b>Annual surplus</b>  | <b>261,247</b>                       | <b>306,630</b>         | 65,718                 |
| <b>Accumulated surplus, beginning of year</b>                        | <b>3,684,007</b>                     | <b>3,684,007</b>       | 3,618,289              |
| <b>Accumulated surplus, end of year (Note 15)</b>                    | <b>3,945,254</b>                     | <b>3,990,637</b>       | 3,684,007              |

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

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

|   | <b>2020<br/>Budget<br/>(Note 22)</b> | <b>2020<br/>Actual</b> | <b>2019<br/>Actual</b> |
|---|--------------------------------------|------------------------|------------------------|
| <b>Annual surplus</b>                   | <b>261,247</b>                       | <b>306,630</b>         | 65,718                 |
| Purchases of tangible capital assets    | -                                    | (150,519)              | (131,407)              |
| Amortization of tangible capital assets | -                                    | 434,272                | 433,621                |
|   | -                                    | <b>283,753</b>         | 302,214                |
| Use of prepaid expenses                 | -                                    | -                      | 37,430                 |
| <b>Decrease in net debt</b>             | <b>261,247</b>                       | <b>590,383</b>         | 405,362                |
| <b>Net debt, beginning of year</b>      | <b>(940,148)</b>                     | <b>(940,148)</b>       | (1,345,510)            |
| <b>Net debt, end of year</b>            | <b>(678,901)</b>                     | <b>(349,765)</b>       | (940,148)              |

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

**Day Star First Nation**  
**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 activities</b>   |                  |             |
| Annual surplus  | 306,630          | 65,718      |
| Non-cash items  |                  |             |
| Amortization  | 434,272          | 433,621     |
| Bad debts (recovery)  | 20,102           | (38,459)    |
| Loss (earnings) from investment in Nation business                              | 31,110           | (86,472)    |
| <b>Operating Activities</b>   | <b>792,114</b>   | 374,408     |
| Changes in working capital accounts   |                  |             |
| Accounts receivable   | 141,689          | (128,527)   |
| Prepaid expenses  | -                | 37,430      |
| Accounts payable and accruals   | 45,194           | (122,727)   |
| Deferred revenue  | 670,073          | 389,462     |
|   | <b>1,649,070</b> | 550,046     |
| <b>Financing activities</b>   |                  |             |
| Repayment of long-term debt   | (274,115)        | (287,346)   |
| Decrease in bank indebtedness   | -                | (50,847)    |
| Net (repayment of advances) advances from Day Star Gas Bar & Confectionary Inc. | (22,423)         | 28,919      |
|   | <b>(296,538)</b> | (309,274)   |
| <b>Capital activities</b>   |                  |             |
| Purchases of tangible capital assets  | (150,519)        | (131,407)   |
| <b>Investing activities</b>   |                  |             |
| Increase in funds held in trust   | (789)            | (1,097)     |
| Increase in restricted cash   | (45,184)         | (61,034)    |
| Contribution (to) from Day Star Gas Bar & Confectionary Inc.                    | (37,070)         | 44,798      |
|   | <b>(83,043)</b>  | (17,333)    |
| <b>Increase in cash resources</b>   | <b>1,118,970</b> | 92,032      |
| <b>Cash resources, beginning of year</b>  | <b>168,505</b>   | 76,473      |
| <b>Cash resources, end of year</b>  | <b>1,287,475</b> | 168,505     |

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

**Day Star First Nation**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2020*

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**1. Operations**

The Day Star First Nation (the "First Nation") is located in Treaty 4 territory, Canada and provides various services to its members. Day Star First Nation includes the First Nation's members, government and all related entities that are accountable to the First Nation and are either owned or controlled by the First Nation.

**2. Significant accounting policies**

These consolidated financial statements are the representations of management, prepared in accordance with Canadian public sector accounting standards, and include the following significant accounting policies:

***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.

***Reporting entity***

The consolidated financial statements consolidate the financial activities of all entities and departments comprising the First Nation reporting entity, except for First Nation business entities.

The First Nation has consolidated the assets, liabilities, revenues and expenses of the following entities and departments:

- Day Star First Nation
- Day Star First Nation CMHC Housing Projects

All inter-entity balances have been eliminated on consolidation; however, transactions between departments have not been eliminated in order to present the results of operations for each specific department. Day Star First Nation CMHC Housing Projects has a March 31, 2020 year end.

Day Star First Nation business entities, owned or controlled by the First Nation's Council but not dependent on the First Nation for their continuing operations, are included in the consolidated financial statements using the modified equity method. Under the modified equity method, the equity method of accounting is modified only to the extent that the business entity accounting principles are not adjusted to conform to those of the First Nation. Thus, the First Nation's investment in these entities is recorded at acquisition cost and is increased for the proportionate share of post acquisition earnings and decreased by post acquisition losses and distributions received. Entities accounted for by the modified equity basis include:

- Day Star Gas Bar & Confectionary Inc.

A separate report is issued on the above entity's financial statement, which has a March 31, 2020 year-end.

**Day Star First Nation**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2020*

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

***Other economic interests***

Day Star First Nation is a member of the Touchwood Child and Family Services Incorporated. The Touchwood Child and Family Services Incorporated is an organization of five member First Nations, whose purpose is to provide Child and Family Services to the five member Nations.

Day Star First Nation is a member of the Touchwood Agency Tribal Council. The Touchwood Agency Tribal Council is an organization of four Nations. The Tribal Council purpose is to enhance the services provided to member Nations.

Day Star First Nation is a member of Touchwood Post Secondary Program Inc. The Touchwood Post Secondary Program Inc. is an organization of three member Nations, whose purpose is to provide services to the member Nations.

Day Star First Nation is a member of the Touchwood Agency Specific Claim. The Touchwood Agency Specific Claim is an organization of five Nations, whose purpose is to negotiate a specific claim with regards to the Department of Aboriginal Affairs' alleged mismanagement of funds of the Touchwood Agency during the period 1920 to 1924.

The First Nation does not have a share in the profits or loss of the above entities. As a result, the financial statements of Touchwood Child and Family Services Incorporated, Touchwood Agency Tribal Council, Touchwood Post Secondary Program Inc., and Touchwood Agency Specific Claim have not been consolidated with the consolidated financial statements of Day Star First Nation.

***Cash resources***

Cash resources include balances with banks and short-term investments with maturities of three months or less. Cash subject to restrictions that prevent its use for current purposes is included in restricted cash. Restricted cash is disclosed in Note 4.

***Portfolio investments***

Long-term investments in entities that are not owned, controlled or influenced by the First Nation reporting entity are accounted for using the cost method. They are recorded at cost, less any provision for other than temporary impairment.

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

Funds are held in trust on behalf of First Nation members by the Government of Canada in the Ottawa Trust Fund. Trust moneys consist of:

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

Revenue from trust fund moneys are recognized when measurable, earned and collection is reasonably assured. These moneys are reported on by the Government of Canada.

**Day Star First Nation**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2020*

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

***Tangible capital assets***

Tangible capital assets are initially recorded at cost based on historical cost accounting records. Contributed tangible capital assets are recorded at their fair value at the date of contribution.

**Amortization**

Amortization for tangible capital assets is provided using the following methods at rates intended to amortize the cost of the assets over their estimated useful lives. In the year of acquisition, amortization is taken at one-half of the annual amount.

|                       | Method        | Rate          |
|-----------------------|---------------|---------------|
| - Buildings           | straight-line | 20 years      |
| - Major equipment     | straight-line | 10 years      |
| - Roads               | straight-line | 20 years      |
| - Water/sewer systems | straight-line | 10 years      |
| - Land improvements   | straight-line | 30 years      |
| - Computer equipment  | straight-line | 4 years       |
| - Vehicles            | straight-line | 5 years       |
| - Housing             | straight-line | 20 - 25 years |

***Intangible assets***

The First Nation owns mineral rights, water resources and crown lands inherited from the Crown that are not included in the financial statements. Original reserve land is recognized at \$1 in the financial statements.

**Asset classification**

Assets are classified as either financial or non-financial. Financial assets are assets that could be used to discharge existing liabilities or finance future operations. Non-financial assets are acquired, constructed or developed assets that do not normally provide resources to discharge existing liabilities but are employed to deliver government services, may be consumed in normal operations and are not for resale in the normal course of operations. Non-financial assets include tangible capital assets and prepaid expenses.

**Net debt**

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

**Revenue recognition**

**Government transfers**

The First Nation recognizes a government transfer as revenue when the transfer is authorized and all eligibility criteria, if any, have been met. A government transfer with stipulations giving rise to an obligation that meets the definition of a liability is recognized as a liability. In such circumstances, the First Nation recognizes revenue as the liability is settled. Transfers of non-depreciable assets are recognized in revenue when received or receivable.

**Non-government funding**

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

**Other revenue**

Rental revenue is recognized over the rental term. Investment income is recognized as it is earned. Other revenue is earned from services provided by the First Nation and are recognized when the service has been provided. Donations and prevention retroactive funding are recognized as revenue when received or receivable if the amounts to be received can be reasonably estimated and collection is reasonably assured.

**Day Star First Nation**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2020*

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

***Measurement uncertainty***

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 disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenditures during the reporting period.

Accounts receivable are stated after evaluation as to their collectibility and an appropriate allowance for doubtful accounts is provided where considered necessary. Amortization is based on the estimated useful lives of tangible capital assets. Liability for contaminated sites are estimated based on the best information available regarding potentially contaminated sites that the First Nation is responsible for.

***Investments in entities in cannabis industry***

The First Nation has an investment in a medicinal cannabis company. The assessment of whether this asset is impaired requires significant judgement and requires management to make certain estimates and assumptions regarding future events and circumstances. Any such estimates or assumptions can change if / when new information becomes available. If / when management concludes that the First Nation is unlikely to recover or receive a return on this asset the amount will be written off to annual surplus. Changes in estimates or assumptions may result in a significant adjustment to the carrying amount of this investment.

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

***Segments***

The First Nation conducts its business through 9 reportable segments as identified in the attached schedules. These operating segments are established by senior management to facilitate the achievement of the First Nation's long-term objectives to aid in resource allocation decisions, and to assess operational performance as part of its funding requirements.

For each reported segment, revenue and expenses represent both amounts that are directly attributable to the segment and amounts that are allocated on a reasonable basis. Therefore, certain allocation methodologies are employed in the preparation of segmented financial information and are apportioned based on a percentage of budgeted revenue, where permitted by the funding agencies.

The accounting policies used in these segments are consistent with those followed in the preparation of the consolidated financial statements.

***Liability for contaminated site***

A liability for remediation of contaminated sites is recognized at the best estimate of the amount required to remediate the contaminated sites when contamination exceeding an environmental standard exists, the First Nation is either directly responsible or accepts responsibility, it is expected that future economic benefits will be given up, and a reasonable estimate of the amount is determinable. The best estimate of the liability includes all costs directly attributable to remediation activities and is reduced by expected net recoveries based on information available at March 31, 2020.

At each financial reporting date, the First Nation reviews the carrying amount of the liability. Any revisions required to the amount previously recognized is accounted for in the period revisions are made. The First Nation continues to recognize the liability until it is settled or otherwise extinguished. Disbursements made to settle the liability are deducted from the reported liability when they are made.

No liability for contaminated sites exists as at March 31, 2020.

**Day Star First Nation**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2020*

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

***Recent accounting pronouncements***

**Asset Retirement Obligations**

In August 2018, new PS 3280 Assets Retirement Obligations was included in the CPA Canada Public Sector Accounting Handbook (PSA HB). The new PS 3280 establishes standards on how to account for and report a liability for asset retirement obligations (ARO). As asset retirement obligations associated with landfills are included in the scope of new PS 3280, PS 3270 Solid Waste Landfill Closure and Post-Closure Liability will be withdrawn.

The main features of this standard are as follows:

- An ARO represents a legal obligation associated with the retirement of a tangible capital asset.
- Asset retirement costs increase the carrying amount of the related tangible capital asset and are expensed in a rational and systematic matter.
- When an asset is no longer in productive use, the associated asset retirement costs are expensed.
- Measurement of the ARO liability should result in the best estimate of the amount required to retire a tangible capital asset at the financial statement date.
- Subsequent measurement of the ARO liability results in either a change in the carrying amount of the related tangible capital asset or an expense. The accounting treatment depends on the nature of the remeasurement and whether the asset remains in productive use.
- The best method to estimate the liability is often a present value technique.

This standard is effective for fiscal years beginning on or after April 1, 2021. Early adoption is permitted. The impact on the First Nation is uncertain at this time.

**Financial Instruments**

In June 2011, the Public Sector Accounting Board (PSAB) issued new PS 3450 Financial Instruments. The new standard establishes requirements for recognition, measurement, derecognition, presentation and disclosure of financial assets and financial liabilities, including derivatives. The main features of the new standard are:

- Financial instruments are classified into two measurement categories: fair value, or cost or amortized cost.
  - Almost all derivatives, including embedded derivatives not closely related to the host contract, are measured at fair value.
  - Portfolio investments in equity instruments quoted in an active market are measured at fair value.
  - Other financial assets and financial liabilities are generally measured at cost or amortized cost.
  - An entity may elect to measure any group of financial assets or financial liabilities (or both) at fair value when the entity has a risk management or investment strategy to manage those items on a fair value basis.
- Remeasurement gains and losses on financial instruments measured at fair value are reported in the statement of remeasurement gains and losses until the financial instrument is derecognized.
- Budget to actual comparisons are not required within the statement of remeasurement gains and losses;
- Financial liabilities are derecognized when, and only when, they are extinguished.
- Financial assets and financial liabilities are only offset and reported on a net basis if a legally enforceable right to set off the recognized amounts exists, and the entity intends to settle on a net basis or realize/settle the amounts simultaneously.

In May 2012, the transitional provisions for this Section were amended, effective at the time the standard is initially applied, to clarify that the measurement provisions are applied prospectively. Adjustments to previous carrying amounts are recognized in opening accumulated remeasurement gains or losses. Additionally, a new transitional provision has been added that applies to government organizations transitioning from the standards in Part V of the CPA Canada Handbook – Accounting with items classified as available for sale. Accumulated other comprehensive income (OCI) from items classified as available for sale is recognized in accumulated remeasurement gains or losses on transition.

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**Day Star First Nation**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2020*

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

PS 3450 was to be effective for fiscal years beginning on or after April 1, 2019. In March 2018, the Public Sector Accounting Board (PSAB) approved an extension of the effective date to fiscal years beginning on or after April 1, 2021. In the period that a public sector entity applies PS 3450, it also applies PS 1201, PS 2601 and PS 3041. Early adoption is permitted. The impact on the First Nation is uncertain at this time.

**3. Accounts receivable**

|  | <b>2020</b>      | <b>2019</b> |
|--|------------------|-------------|
| Indigenous Services Canada                     | 6,827            | 5,350       |
| First Nations and Inuit Health Branch          | 35,833           | 12,481      |
| Advances to members                            | 10,951           | 7,372       |
| Rent   | 294,660          | 302,234     |
| Dakota Dunes Community Development Corporation | 227,115          | 280,279     |
| CMHC   | 3,785            | 4,021       |
| Touchwood Agency Tribal Council                | 55,895           | 263,255     |
| Other  | 103,844          | 5,607       |
|  | <b>738,910</b>   | 880,599     |
| Less: Allowance for doubtful accounts          | <b>(329,573)</b> | (309,471)   |
|  | <b>409,337</b>   | 571,128     |

**4. Restricted cash**

Restricted cash consists of the CMHC replacement reserve, CMHC operating reserve and cash managed by capital project managers who are responsible for the payment of expenses relating to capital projects funded by Indigenous Services Canada ("ISC").

|                          | <b>2020</b>   | <b>2019</b> |
|--------------------------|---------------|-------------|
| <b>Current</b>           |               |             |
| ISC capital projects     | 52,347        | 1,871       |
| <b>Long-term</b>         |               |             |
| CMHC replacement reserve | 80,816        | 85,914      |
| CMHC operating reserve   | 4,185         | 4,379       |
|                          | <b>85,001</b> | 90,293      |

**5. Portfolio investments**

|  | <i>Number of<br/>shares</i> | <b>2020</b>      | <b>2019</b> |
|--|-----------------------------|------------------|-------------|
| Measured at cost:                            |                             |                  |             |
| Consolidated Craft Brands - 18.32% ownership | 4,000,000                   | <b>2,000,000</b> | -           |

There were no changes in the equity or financial position of the investee since acquisition. The investee is not traded in an active market.

**Day Star First Nation**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2020*

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**6. Investments in Nation business entities**

The First Nation has investments in the following wholly owned entity:

|                                       | <i>2019</i> | <i>Contributions</i> | <i>Net loss</i> | <i>2020</i> |
|---------------------------------------|-------------|----------------------|-----------------|-------------|
| Day Star Gas Bar & Confectionary Inc. | 91,123      | 37,070               | (31,110)        | 97,083      |

Summary financial information for the First Nation business enterprise, accounted for using the modified equity method, for its respective year-end is as follows:

|                                | <i>Day Star Gas<br/>Bar &amp;<br/>Confectionary<br/>Inc.<br/>As at March 31,<br/>2020</i> |
|--------------------------------|---|
| <b>Assets</b>                  |   |
| Cash                           | 9,385   |
| Accounts receivable            | 5,249   |
| Inventory                      | 32,003  |
| Due from Day Star First Nation | 8,759   |
| Property and equipment         | <u>50,974</u>   |
| <b>Total assets</b>            | <u>106,370</u>  |
| <b>Liabilities</b>             |   |
| Accounts payable and accruals  | <u>9,287</u>  |
| <b>Total liabilities</b>       | <u>9,287</u>  |
| <b>Net assets</b>              | <b><u>97,083</u></b>  |
| <b>Total revenue</b>           | 566,412   |
| <b>Total expenses</b>          | <u>597,522</u>  |
| <b>Net loss</b>                | <u>(31,110)</u>   |

**7. Funds held in trust**

Capital and revenue trust moneys are transferred to the Nation on the authorization of the Minister of Indigenous Services Canada with the consent of the Nation's Council.

|                                    | <i>2020</i>          | <i>2019</i>          |
|------------------------------------|----------------------|----------------------|
| <b>Capital Trust</b>               |                      |                      |
| Balance, beginning and end of year | 583                  | 583                  |
| <b>Revenue Trust</b>               |                      |                      |
| Balance, beginning of year         | 48,408               | 47,310               |
| Interest revenue                   | 788                  | 1,097                |
| Balance, end of year               | <u>49,196</u>        | <u>48,407</u>        |
| <b>Total funds held in trust</b>   | <b><u>49,779</u></b> | <b><u>48,990</u></b> |

**Day Star First Nation**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2020*

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**8. Bank indebtedness**

At March 31, 2020, the First Nation had a line of credit totaling \$50,000 (2019 - \$50,000), of which no amount was drawn (2019 - \$nil). Funding from Indigenous Services Canada is pledged as collateral.

**9. Accounts payable and accruals**

|                                       | <b>2020</b>    | <b>2019</b> |
|---------------------------------------|----------------|-------------|
| First Nations and Inuit Health Branch | 12,873         | 32,778      |
| Accrued payroll                       | 18,666         | 12,350      |
| Trade                                 | <u>312,637</u> | 253,854     |
|                                       | <u>344,176</u> | 298,982     |

**10. Deferred revenue**

|  | <b>2020</b>      | <b>2019</b> |
|--|------------------|-------------|
| Health - Fetal Alcohol Spectrum Disorder             | 3,000            | -           |
| Other - Headstart                                    | 32,321           | 14,429      |
| Band Government - Community Emergency Measures       | 5,775            | -           |
| Other - 10 Year Grant                                | 4,250            | 50,000      |
| Other - Community Development Corporation            | <u>224,677</u>   | 268,255     |
| Capital - Roads & Bridges                            | 11,937           | 11,240      |
| Health - Maternal Child Health                       | 4,825            | -           |
| Other - CMHC   | -                | 11,738      |
| Other - Pre-employment                               | 143,322          | 142,923     |
| Other - NNADAP                                       | 5,860            | 6,223       |
| Other - Sewer Main Flush                             | 52,166           | 55,000      |
| Health - Mental Health                               | 31,183           | -           |
| Health - Pandemic Planning - Immunization            | 1,059            | 1,059       |
| Capital - Renovations                                | 17,474           | -           |
| Health - Brighter Futures                            | 3,056            | -           |
| Health - Grow Tunnel                                 | 23,391           | -           |
| Social Development - Employment & Training           | 12,794           | 6,312       |
| O&M - Community Buildings                            | 558              | -           |
| Other - P&ID   | 21,469           | -           |
| Social Development - Special Needs                   | 9,724            | -           |
| Capital - Housing                                    | <u>494,500</u>   | -           |
| O&M - Emergency Health Drinking Water Safety Program | 24,189           | -           |
| O&M - Health Facilities O&M                          | 8,027            | -           |
| Health - Health Committee                            | 1,714            | -           |
| Other - Day Care                                     | 17,184           | 21,048      |
| Other - Insurance proceeds                           | <u>103,844</u>   | -           |
|  | <u>1,258,299</u> | 588,227     |

**Day Star First Nation**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2020*

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**10. Deferred revenue (Continued from previous page)**

The following table represents changes in the deferred revenue balances:

|                                 | <b>Balance,<br/>beginning of year</b> | <b>Contributions<br/>received</b> | <b>Recognized as<br/>revenue</b> | <b>Balance, end of<br/>year</b> |
|---------------------------------|---------------------------------------|-----------------------------------|----------------------------------|---------------------------------|
| Health - Fetal Alcohol Spectrum |                                       |                                   |                                  |                                 |
| Disorder                        | -                                     | 3,000                             | -                                | <b>3,000</b>                    |
| Other - Headstart               | 14,429                                | 160,419                           | 142,527                          | <b>32,321</b>                   |
| Band Governt - Community        |                                       |                                   |                                  |                                 |
| Emergency Measures              | -                                     | 5,775                             | -                                | <b>5,775</b>                    |
| Other - 10 Year Grant           | 50,000                                | -                                 | 45,750                           | <b>4,250</b>                    |
| Other - Community Development   |                                       |                                   |                                  |                                 |
| Corporation                     | 268,255                               | 286,700                           | 330,278                          | <b>224,677</b>                  |
| Capital - Roads & Bridges       | 11,240                                | 16,200                            | 15,503                           | <b>11,937</b>                   |
| Health - Maternal Child Health  | -                                     | 7,650                             | 2,825                            | <b>4,825</b>                    |
| Other - CMHC                    | 11,738                                | -                                 | 11,738                           | -                               |
| Other - Pre-employment          | 142,923                               | 53,438                            | 53,039                           | <b>143,322</b>                  |
| Other - NNADAP                  | 6,223                                 | 66,076                            | 66,439                           | <b>5,860</b>                    |
| Other - Sewer Main Flush        | 55,000                                | -                                 | 2,834                            | <b>52,166</b>                   |
| Health - Mental Health          | -                                     | 66,289                            | 35,106                           | <b>31,183</b>                   |
| Health - Immunization           | 1,059                                 | 1,659                             | 1,659                            | <b>1,059</b>                    |
| Capital - Renovations           | -                                     | 57,039                            | 39,565                           | <b>17,474</b>                   |
| Health - Brighter Futures       | -                                     | 47,176                            | 44,120                           | <b>3,056</b>                    |
| Health - Grow Tunnel            | -                                     | 50,000                            | 26,609                           | <b>23,391</b>                   |
| Social Development -            |                                       |                                   |                                  |                                 |
| Employment & Training           | 6,312                                 | 24,836                            | 18,354                           | <b>12,794</b>                   |
| O&M - Community Buildings       | -                                     | 3,698                             | 3,140                            | <b>558</b>                      |
| Other - P&ID                    | -                                     | 25,000                            | 3,531                            | <b>21,469</b>                   |
| Social Development - Special    |                                       |                                   |                                  |                                 |
| Needs                           | -                                     | 18,553                            | 8,829                            | <b>9,724</b>                    |
| Capital - Housing               | -                                     | 494,500                           | -                                | <b>494,500</b>                  |
| O&M - EHDWSP                    | -                                     | 70,500                            | 46,311                           | <b>24,189</b>                   |
| O&M - Health Facilities         | -                                     | 32,500                            | 24,473                           | <b>8,027</b>                    |
| Health - Health Committee       | -                                     | 4,303                             | 2,589                            | <b>1,714</b>                    |
| Other - Day Care                | 21,048                                | 89,383                            | 93,247                           | <b>17,184</b>                   |
| Other - Insurance proceeds      | -                                     | 103,844                           | -                                | <b>103,844</b>                  |
|                                 | <b>588,227</b>                        | <b>1,688,538</b>                  | <b>1,018,466</b>                 | <b>1,258,299</b>                |

**11. Advances from Day Star Gas Bar & Confectionary Inc.**

Advances from related First Nation entities are unsecured, non-interest bearing and without fixed terms of repayment. All transactions with related parties are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties. Day Star Gas Bar & Confectionary Inc. is wholly owned by the First Nation.

**Day Star First Nation**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2020*

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**12. Long-term debt**

The following CMHC loans are secured by government guarantees, and relate to the construction of on-reserve housing. The First Nation receives a subsidy from Canada Mortgage and Housing Corporation to assist with the payment of principal and interest on the following loans:

| <u>CMHC Phase</u>  | <u>Monthly Payment Including Interest</u> | <u>Interest Rate</u> | <u>Maturity Date</u> | <u>2020</u>      | <u>2019</u> |
|--|---|----------------------|----------------------|------------------|-------------|
| 1  | 275                                       | 1.77%                | Apr. 1/24            | <b>12,706</b>    | 15,738      |
| 2  | 388                                       | 1.50%                | Dec. 1/24            | <b>20,970</b>    | 25,275      |
| 3  | 1,142                                     | 1.50%                | May 1/25             | <b>67,047</b>    | 79,645      |
| 4  | 844                                       | 1.50%                | Jan. 1/26            | <b>55,533</b>    | 64,753      |
| 5  | 276                                       | 2.52%                | May 1/28             | <b>24,266</b>    | 26,940      |
| 6  | 1,640                                     | 2.52%                | Jun. 1/37            | <b>274,383</b>   | 287,003     |
|  |   |                      |                      | <b>454,905</b>   | 499,354     |
| Peace Hills Trust loan, repayable in annual instalments of \$200,000, including interest at prime plus 1.00%, secured by specific assignment of BHP Billiton Opportunities Agreement. This loan was refinanced and combined with the new Peace Hills Trust Loan below.   |   |                      |                      | -                | 438,029     |
| Peace Hills Trust loan, repayable in annual instalments of \$200,000, including interest at 5.95%, and quarterly installments of \$35,000, including interest secured by specific assignment of Gaming, ISC, BHP Billiton Opportunities Agreement, Lease revenues, and any and all assets of the Day Star Gas Bar & Confectionary Inc., due April 1, 2025. |   |                      |                      | <b>2,264,647</b> | -           |
| Peace Hills Trust loan, repayable in quarterly instalments of \$28,000, including interest at 6.00%, secured by Band Council Resolutions redirecting funding, matured Oct 1, 2019.   |   |                      |                      | -                | 56,284      |
|  |   |                      |                      | <b>2,719,552</b> | 993,667     |
| Less: current portion  |   |                      |                      | <b>288,588</b>   | 283,539     |
|  |   |                      |                      | <b>2,430,964</b> | 710,128     |

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

|            |           |
|------------|-----------|
| 2021       | 288,588   |
| 2022       | 271,659   |
| 2023       | 286,327   |
| 2024       | 301,860   |
| 2025       | 313,859   |
|            | <hr/>     |
|            | 1,462,293 |
| Thereafter | 1,257,259 |

Interest paid on long-term debt was \$28,079 (2019 - \$38,580).

**Day Star First Nation**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2020*

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**13. Contingencies**

The First Nation has entered into contribution agreements with various federal government departments. Funding received under these contribution agreements is subject to repayment if the First Nation fails to comply with the terms and conditions of the agreements. This amount cannot be reasonably estimated at this point in time.

Day Star First Nation is a member of the Touchwood Agency Specific Claim. The Touchwood Agency Specific Claim is an organization of five Nations, whose purpose is to negotiate a specific claim with regards to the Department of Aboriginal Affairs' alleged mismanagement of funds of the Touchwood Agency during the period 1920 to 1924. The First Nation, along with the four other Nations included in this claim, will be guaranteeing a loan to finance the costs of negotiating the settlement. Insurance will be obtained to mitigate the risk that the settlement proceeds may be less than the total outstanding at such time the claim is resolved. As of March 31, 2020 the related loan has not been closed and is still in negotiation.

**14. Tangible capital assets**

The tangible capital assets reconciliation is included in Schedule 1.

Tangible capital assets include original land disclosed at a nominal amount.

**15. Accumulated surplus**

Accumulated surplus consists of the following:

|  | <b>2020</b>      | <b>2019</b>      |
|--|------------------|------------------|
| Equity in funds held in trust            | 49,779           | 48,990           |
| Equity in CMHC operating reserve         | 179,386          | 185,206          |
| Equity in CMHC replacement reserve       | 237,713          | 226,352          |
| Equity in tangible capital assets        | 3,626,768        | 3,636,408        |
| Net assets of controlled business entity | 97,083           | 91,123           |
| Unrestricted deficit                     | (200,092)        | (504,072)        |
|  | <b>3,990,637</b> | <b>3,684,007</b> |

The First Nation does not have a moveable asset reserve.

**16. CMHC reserves**

Operating reserve

The First Nation's CMHC Housing Program receives funding pursuant to the Post 1997 - Fixed Subsidy Program. Any surpluses are externally restricted and reserved for future operating losses that relate to the operation of houses under this program.

Replacement reserve

A replacement reserve fund has been established for replacement of capital equipment and for major repairs to the houses. Pursuant to CMHC agreements, operating provisions of \$93.75 per unit per month are made for phases I through IV and phase VI and \$100 per unit per month for phase V. Any applicable expenditures are charged against the reserve.

At March 31, 2020 the replacement reserve fund is under-funded by \$156,897 (2019 - under-funded \$140,438) and the operating reserve fund is under-funded by \$175,200 (2019 - under-funded by \$180,827).

**Day Star First Nation**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2020*

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**17. Reconciliation of funding from Indigenous Services Canada**

|   | <b>2020</b>      | <b>2019</b> |
|---|------------------|-------------|
| ISC funding per confirmation                        | 2,096,719        | 1,277,537   |
| Less: Institutional care funding recognized in 2019 | (5,350)          | -           |
|   | <b>2,091,369</b> | 1,277,537   |
| <b>Less: recoveries of funding</b>                  |                  |             |
| Repayment recognized in 2018 - Institutional care   | -                | (3,086)     |
| <b>Add: repayments of funding</b>                   |                  |             |
| Institutional care                                  | -                | 5,350       |
| Deferred revenue, beginning of year                 | 122,552          | 15,481      |
| Deferred revenue, end of year                       | (627,705)        | (122,552)   |
|   | <b>(505,153)</b> | (107,071)   |
| Funding total per financial statements              | <b>1,586,216</b> | 1,172,730   |

**18. Reconciliation of funding from First Nations and Inuit Health Branch**

|  | <b>2020</b>     | <b>2019</b> |
|--|-----------------|-------------|
| FNIHB funding per confirmation         | 524,027         | 371,980     |
| <b>Less: funding recoveries</b>        |                 |             |
| Health Director                        | -               | (30,891)    |
| Deferred revenue, beginning of year    | 7,282           | -           |
| Deferred revenue, end of year          | (101,479)       | (7,282)     |
|  | <b>(94,197)</b> | (7,282)     |
| Funding total per financial statements | <b>429,830</b>  | 333,807     |

**Day Star First Nation**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2020*

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**19. Segments**

The First Nation has 9 reportable segments. These segments are differentiated by the major activities or services they provide. The First Nation's segments are as follows:

**Reserves and Trusts** - includes activities for the development of the Nation's land.

**Education** - includes the operations of education programs.

**Economic Development** - includes activities for future Nation business activities.

**Band Government** - includes administration and governance activities.

**Operations and Maintenance** - includes activities for the maintenance of the community and its infrastructure.

**Capital** - reports on capital projects.

**Social Development** - activities include delivering social programs.

**Health** - activities that increase healthy living.

**Other Band programs** - other band programs which do not meet the criteria for the other segments.

Inter-segment transfers are recorded at their exchange amount. The accounting policies of the segments are the same as those described in Note 2.

**20. Economic dependence**

Day Star First Nation receives substantially all of its revenues from Indigenous Services Canada as a result of Treaties entered into with the Crown in Right of Canada. These Treaties are administered by ISC under the terms and conditions of the Indian Act. The ability of the Nation to continue operations is dependent upon the Government of Canada's continued financial commitments as guaranteed by these Treaties.

**21. Comparative figures**

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

**22. Budget information**

The disclosed budget information was approved by the Chief and Council of the First Nation on April 24, 2019.

**Reconciliation to budget**

|                          |           |
|--------------------------|-----------|
| Total revenue per budget | 3,712,297 |
|--------------------------|-----------|

|   |          |
|---|----------|
| Less: Administration fee included in expenses | (43,945) |
|---|----------|

|   |           |
|---|-----------|
| Total revenue per Statement of Operations | 3,668,352 |
|---|-----------|

|                               |           |
|-------------------------------|-----------|
| Total expenditures per budget | 3,708,637 |
|-------------------------------|-----------|

|   |          |
|---|----------|
| Less: Administration fee included in expenses | (43,943) |
|---|----------|

|                     |           |
|---------------------|-----------|
| Less: Loan payments | (257,589) |
|---------------------|-----------|

|  |           |
|--|-----------|
| Total expenditures per Statement of Operations | 3,407,105 |
|--|-----------|

|                    |       |
|--------------------|-------|
| Surplus per budget | 3,660 |
|--------------------|-------|

|                                     |         |
|-------------------------------------|---------|
| Surplus per Statement of Operations | 261,247 |
|-------------------------------------|---------|

**Day Star First Nation**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2020*

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**23. Significant event**

During the year, there was a global outbreak of COVID-19 (coronavirus), which has had a significant impact on organizations and businesses through the restrictions put in place by the Canadian, provincial and municipal governments regarding travel, operations and isolation/quarantine orders. At this time, it is unknown the extent of the impact the COVID-19 outbreak may have on the First Nation as this will depend on future developments that are highly uncertain and that cannot be predicted with confidence. These uncertainties arise from the inability to predict the ultimate geographic spread of the disease, and the duration of the outbreak, including the duration of travel restrictions, business closures or disruptions, and quarantine/isolation measures that are currently, or may be put, in place by Canada and other countries to fight the virus. While the extent of the impact is unknown, we anticipate this outbreak will have a minimal affect on the First Nation.

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

|  | <i>Band Housing</i> | <i>Vehicles</i> | <i>Major Equipment</i> | <i>Computer Equipment</i> | <i>Land Improvements</i> | <i>Buildings</i> | <i>Subtotal</i>  |
|--|---------------------|-----------------|------------------------|---------------------------|--------------------------|------------------|------------------|
| <b>Cost</b>                                      |                     |                 |                        |                           |                          |                  |                  |
| Balance, beginning of year                       | 2,942,016           | 352,930         | 913,179                | 58,378                    | 112,696                  | 3,754,394        | 8,133,593        |
| Acquisition of tangible capital assets           | -                   | 25,000          | 81,868                 | -                         | -                        | 43,651           | 150,519          |
| <b>Balance, end of year</b>                      | <b>2,942,016</b>    | <b>377,930</b>  | <b>995,047</b>         | <b>58,378</b>             | <b>112,696</b>           | <b>3,798,045</b> | <b>8,284,112</b> |
| <b>Accumulated amortization</b>                  |                     |                 |                        |                           |                          |                  |                  |
| Balance, beginning of year                       | 1,647,988           | 293,215         | 495,873                | 58,378                    | 20,594                   | 2,062,760        | 4,578,808        |
| Annual amortization                              | 73,096              | 23,812          | 58,291                 | -                         | 3,757                    | 150,176          | 309,132          |
| <b>Balance, end of year</b>                      | <b>1,721,084</b>    | <b>317,027</b>  | <b>554,164</b>         | <b>58,378</b>             | <b>24,351</b>            | <b>2,212,936</b> | <b>4,887,940</b> |
| <b>Net book value of tangible capital assets</b> | <b>1,220,932</b>    | <b>60,903</b>   | <b>440,883</b>         | <b>-</b>                  | <b>88,345</b>            | <b>1,585,109</b> | <b>3,396,172</b> |
| 2019   |                     |                 |                        |                           |                          |                  |                  |
| Net book value of tangible capital assets        | 1,294,026           | 59,715          | 417,306                | -                         | 92,102                   | 1,691,634        | 3,554,783        |

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

|  | <i>Subtotal</i>  | <i>Water/Sewer Systems</i> | <i>Roads</i>   | <i>Original Land</i> | <i>CMHC Housing</i> | <i>2020</i>       | <i>2019</i>       |
|--|------------------|----------------------------|----------------|----------------------|---------------------|-------------------|-------------------|
| <b>Cost</b>                                      |                  |                            |                |                      |                     |                   |                   |
| Balance, beginning of year                       | 8,133,593        | 2,689,795                  | 467,765        | 1                    | 1,211,471           | 12,502,625        | 12,371,218        |
| Acquisition of tangible capital assets           | 150,519          | -                          | -              | -                    | -                   | 150,519           | 131,407           |
| <b>Balance, end of year</b>                      | <b>8,284,112</b> | <b>2,689,795</b>           | <b>467,765</b> | <b>1</b>             | <b>1,211,471</b>    | <b>12,653,144</b> | <b>12,502,625</b> |
| <b>Accumulated amortization</b>                  |                  |                            |                |                      |                     |                   |                   |
| Balance, beginning of year                       | 4,578,808        | 2,363,261                  | 230,005        | 1                    | 706,395             | 7,878,470         | 7,444,849         |
| Annual amortization                              | 309,132          | 53,293                     | 23,388         | -                    | 48,459              | 434,272           | 433,621           |
| <b>Balance, end of year</b>                      | <b>4,887,940</b> | <b>2,416,554</b>           | <b>253,393</b> | <b>1</b>             | <b>754,854</b>      | <b>8,312,742</b>  | <b>7,878,470</b>  |
| <b>Net book value of tangible capital assets</b> | <b>3,396,172</b> | <b>273,241</b>             | <b>214,372</b> | <b>-</b>             | <b>456,617</b>      | <b>4,340,402</b>  | <b>4,624,155</b>  |
| 2019   |                  |                            |                |                      |                     |                   |                   |
| Net book value of tangible capital assets        | 3,554,783        | 326,534                    | 237,760        | -                    | 505,078             | 4,624,155         |                   |

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

|   | <b>2020<br/>Budget<br/>(Note 22)</b> | <b>2020<br/>Actual</b> | <b>2019<br/>Actual</b> |
|---|--------------------------------------|------------------------|------------------------|
| Salaries and benefits                   | 695,582                              | 676,337                | 608,004                |
| Student expenses                        | 566,273                              | 549,332                | 184,620                |
| Amortization                            | -                                    | 434,272                | 433,621                |
| Program expenses and community projects | 153,231                              | 348,731                | 164,839                |
| Band support                            | 258,114                              | 296,519                | 250,636                |
| Meetings and workshops                  | 255,074                              | 261,446                | 101,779                |
| Travel                                  | 217,740                              | 261,383                | 179,400                |
| Contracts                               | 678,743                              | 201,999                | 250,343                |
| Supplies                                | 220,193                              | 166,518                | 111,987                |
| Repairs and maintenance                 | 114,684                              | 169,944                | 137,533                |
| Professional fees                       | 63,887                               | 107,927                | 58,646                 |
| Insurance                               | 35,162                               | 46,223                 | 41,115                 |
| Utilities                               | 56,074                               | 45,032                 | 75,358                 |
| Telephone                               | 37,210                               | 30,099                 | 38,875                 |
| Interest on long-term debt              | -                                    | 28,079                 | 38,580                 |
| Bad debts (recovery)                    | -                                    | 20,102                 | (38,459)               |
| Bank charges and interest               | 16,715                               | 17,372                 | 8,441                  |
| Rent                                    | 2,655                                | 17,116                 | 47,073                 |
| Fuel                                    | 13,020                               | 8,796                  | 12,426                 |
| Funeral assistance                      | 6,498                                | 6,498                  | 6,438                  |
| Meals and nutrition                     | 6,250                                | 6,073                  | 14,367                 |
| Administration                          | 10,000                               | -                      | -                      |
|   | <b>3,407,105</b>                     | <b>3,699,798</b>       | <b>2,725,622</b>       |

**Day Star First Nation**  
**Reserves and Trusts**  
**Schedule 3 - Schedule of Revenue and Expenses**  
*For the year ended March 31, 2020*

|                            | <b>2020<br/>Budget<br/>(Note 22)</b> | <b>2020<br/>Actual</b> | <b>2019<br/>Actual</b> |
|----------------------------|--------------------------------------|------------------------|------------------------|
| <b>Revenue</b>             |                                      |                        |                        |
| Indigenous Services Canada | <b>5,000</b>                         | <b>5,000</b>           | 5,000                  |
| <b>Expenses</b>            |                                      |                        |                        |
| Administration             | 3,000                                | 3,000                  | 3,000                  |
| Travel                     | 1,550                                | 1,482                  | 2,073                  |
| Supplies                   | 450                                  | 520                    | 35                     |
| <b>Deficit</b>             | <b>-</b>                             | <b>(2)</b>             | (108)                  |

**Day Star First Nation**  
**Education**  
**Schedule 4 - Schedule of Revenue and Expenses**  
*For the year ended March 31, 2020*

|   | <i>2020<br/>Budget<br/>(Note 22)</i> | <i>2020<br/>Actual</i> | <i>2019<br/>Actual</i> |
|---|--------------------------------------|------------------------|------------------------|
| <b>Revenue</b>                          |                                      |                        |                        |
| Indigenous Services Canada              | <b>756,936</b>                       | <b>756,936</b>         | 347,606                |
| <b>Expenses</b>                         |                                      |                        |                        |
| Student expenses                        | 566,273                              | 549,332                | 184,620                |
| Contracts                               | 123,113                              | 120,264                | 124,739                |
| Travel                                  | 8,387                                | 7,326                  | 9,355                  |
| Meetings and workshops                  | 31,263                               | 7,275                  | 6,564                  |
| Supplies                                | 6,000                                | 5,785                  | 5,922                  |
| Meals and nutrition                     | -                                    | -                      | 10,320                 |
| Program expenses and community projects | -                                    | -                      | 4,150                  |
|   | <b>735,036</b>                       | <b>689,982</b>         | 345,670                |
| <b>Surplus</b>                          | <b>21,900</b>                        | <b>66,954</b>          | 1,936                  |

**Day Star First Nation**  
**Economic Development**  
**Schedule 5 - Schedule of Revenue and Expenses**  
*For the year ended March 31, 2020*

|                                 | <b>2020<br/>Budget<br/>(Note 22)</b> | <b>2020<br/>Actual</b> | <b>2019<br/>Actual</b> |
|---------------------------------|--------------------------------------|------------------------|------------------------|
| <b>Revenue</b>                  |                                      |                        |                        |
| Touchwood Agency Tribal Council | 30,000                               | 30,000                 | 30,000                 |
| Other                           | -                                    | 3,000                  | 5,000                  |
|                                 | <b>30,000</b>                        | <b>33,000</b>          | 35,000                 |
| <b>Expenses</b>                 |                                      |                        |                        |
| Contracts                       | 18,800                               | 22,770                 | 27,087                 |
| Amortization                    | -                                    | 9,700                  | 9,700                  |
| Travel                          | 4,800                                | 4,226                  | 3,274                  |
| Professional fees               | 1,000                                | 3,136                  | 845                    |
| Meetings and workshops          | 5,400                                | 2,250                  | 2,660                  |
|                                 | <b>30,000</b>                        | <b>42,082</b>          | 43,566                 |
| <b>Deficit</b>                  | <b>-</b>                             | <b>(9,082)</b>         | <b>(8,566)</b>         |

**Day Star First Nation**  
**Band Government**  
**Schedule 6 - Schedule of Revenue and Expenses**  
*For the year ended March 31, 2020*

|                            | <b>2020<br/>Budget<br/>(Note 22)</b> | <b>2020<br/>Actual</b> | <b>2019<br/>Actual</b> |
|----------------------------|--------------------------------------|------------------------|------------------------|
| <b>Revenue</b>             |                                      |                        |                        |
| Indigenous Services Canada | 239,156                              | 239,156                | 218,970                |
| First Nations Trust        | 98,225                               | 98,225                 | 70,221                 |
| Other                      | 8,914                                | 7,541                  | 16,904                 |
| Interest income            | 843                                  | 843                    | 92                     |
|                            | <b>347,138</b>                       | <b>345,765</b>         | 306,187                |
| <b>Expenses</b>            |                                      |                        |                        |
| Salaries and benefits      | 223,983                              | 223,983                | 204,365                |
| Professional fees          | 32,161                               | 36,210                 | 30,781                 |
| Meetings and workshops     | 23,200                               | 32,393                 | 11,135                 |
| Travel                     | 29,006                               | 30,621                 | 10,648                 |
| Bad debts                  | -                                    | 27,676                 | -                      |
| Band support               | 21,051                               | 25,176                 | 15,352                 |
| Bank charges and interest  | 16,715                               | 16,715                 | 8,073                  |
| Rent                       | -                                    | 14,591                 | 47,073                 |
| Telephone                  | 15,600                               | 13,234                 | 16,516                 |
| Insurance                  | 18,650                               | 11,132                 | 15,217                 |
| Funeral assistance         | 6,498                                | 6,498                  | 6,438                  |
| Contracts                  | 1,000                                | 2,554                  | 5,560                  |
| Supplies                   | 1,848                                | 2,127                  | 2,259                  |
| Repairs and maintenance    | 1,370                                | 1,370                  | 925                    |
| Amortization               | -                                    | -                      | 910                    |
| Administration (recovery)  | (43,944)                             | (50,865)               | (52,613)               |
|                            | <b>347,138</b>                       | <b>393,415</b>         | 322,639                |
| <b>Deficit</b>             | <b>-</b>                             | <b>(47,650)</b>        | (16,452)               |

**Day Star First Nation**  
**Operation and Maintenance**  
**Schedule 7 - Schedule of Revenue and Expenses**  
*For the year ended March 31, 2020*

|                                       | <b>2020<br/>Budget<br/>(Note 22)</b> | <b>2020<br/>Actual</b> | <b>2019<br/>Actual</b> |
|---------------------------------------|--------------------------------------|------------------------|------------------------|
| <b>Revenue</b>                        |                                      |                        |                        |
| Indigenous Services Canada            | 186,169                              | 185,611                | 199,256                |
| First Nations and Inuit Health Branch | 103,000                              | 70,784                 | 32,405                 |
| Contributions                         | -                                    | -                      | 8,798                  |
|                                       | <b>289,169</b>                       | <b>256,395</b>         | 240,459                |
| <b>Expenses</b>                       |                                      |                        |                        |
| Amortization                          | -                                    | 351,951                | 353,826                |
| Salaries and benefits                 | 77,210                               | 69,002                 | 68,035                 |
| Repairs and maintenance               | 61,558                               | 49,791                 | 46,117                 |
| Utilities                             | 42,994                               | 39,411                 | 44,680                 |
| Insurance                             | 5,139                                | 16,726                 | 8,855                  |
| Supplies                              | 22,700                               | 13,392                 | 16,237                 |
| Contracts                             | 14,515                               | 11,125                 | 17,719                 |
| Meetings and workshops                | 26,000                               | 11,064                 | 1,209                  |
| Travel                                | 13,512                               | 11,051                 | 9,737                  |
| Administration                        | 8,880                                | 8,880                  | 10,478                 |
| Fuel                                  | 9,420                                | 5,488                  | 8,067                  |
| Telephone                             | 5,760                                | 5,293                  | 5,999                  |
| Professional fees                     | 1,481                                | 1,200                  | 900                    |
|                                       | <b>289,169</b>                       | <b>594,374</b>         | 591,859                |
| <b>Deficit</b>                        | <b>-</b>                             | <b>(337,979)</b>       | (351,400)              |

**Day Star First Nation**  
**Capital**  
**Schedule 8 - Schedule of Revenue and Expenses**  
*For the year ended March 31, 2020*

|   | <b>2020<br/>Budget<br/>(Note 22)</b> | <b>2020<br/>Actual</b> | <b>2019<br/>Actual</b> |
|---|--------------------------------------|------------------------|------------------------|
| <b>Revenue</b>                          |                                      |                        |                        |
| Indigenous Services Canada              | 583,237                              | 73,401                 | 104,779                |
| Canada Mortgage and Housing Corporation | 18,810                               | 18,810                 | 70,445                 |
| First Nations Trust                     | 58,000                               | 58,000                 | 86,077                 |
| Rental income                           | 18,611                               | 18,611                 | 23,541                 |
| Other                                   | 5,136                                | 5,136                  | 29,711                 |
| Touchwood Agency Tribal Council         | 3,308                                | 3,308                  | 3,475                  |
| Interest income                         | -                                    | 5                      | 7                      |
| Community Development Corporation       | -                                    | -                      | 2,500                  |
|   | <b>687,102</b>                       | <b>177,271</b>         | <b>320,535</b>         |
| <b>Expenses</b>                         |                                      |                        |                        |
| Supplies                                | 57,601                               | 59,311                 | 24,414                 |
| Salaries and benefits                   | 26,371                               | 25,809                 | 35,139                 |
| Repairs and maintenance                 | 36,756                               | 25,564                 | 35,495                 |
| Contracts                               | 510,925                              | 14,843                 | 61,154                 |
| Insurance                               | 5,412                                | 5,412                  | 5,299                  |
| Travel                                  | 3,210                                | 3,633                  | 11,488                 |
| Meetings and workshops                  | 3,000                                | 3,500                  | 3,775                  |
| Fuel                                    | 3,600                                | 3,308                  | 4,359                  |
| Utilities                               | 8,400                                | 1,991                  | 26,629                 |
| Interest on long-term debt              | -                                    | 1,305                  | 2,814                  |
| Professional fees                       | 870                                  | 870                    | 8,285                  |
| Bank charges and interest               | -                                    | 161                    | 142                    |
|   | <b>656,145</b>                       | <b>145,707</b>         | <b>218,993</b>         |
| <b>Surplus</b>                          | <b>30,957</b>                        | <b>31,564</b>          | <b>101,542</b>         |

**Day Star First Nation**  
**Social Development**  
**Schedule 9 - Schedule of Revenue and Expenses**  
*For the year ended March 31, 2020*

|   | <b>2020<br/>Budget<br/>(Note 22)</b> | <b>2020<br/>Actual</b> | <b>2019<br/>Actual</b> |
|---|--------------------------------------|------------------------|------------------------|
| <b>Revenue</b>                          |                                      |                        |                        |
| Indigenous Services Canada              | 280,535                              | 265,806                | 277,119                |
| Touchwood Agency Tribal Council         | 53,438                               | 53,039                 | -                      |
|   | <b>333,973</b>                       | <b>318,845</b>         | 277,119                |
| <b>Expenses</b>                         |                                      |                        |                        |
| Band support                            | 237,063                              | 228,871                | 219,090                |
| Salaries and benefits                   | 49,477                               | 41,498                 | 18,371                 |
| Travel                                  | 17,541                               | 22,263                 | 6,375                  |
| Supplies                                | 7,175                                | 10,319                 | 895                    |
| Contracts                               | 9,840                                | 9,840                  | 9,840                  |
| Meetings and workshops                  | 6,940                                | 6,940                  | 2,325                  |
| Program expenses and community projects | 3,762                                | 3,762                  | 18,310                 |
| Telephone                               | 1,275                                | 1,275                  | 825                    |
| Administration                          | 900                                  | 900                    | 900                    |
|   | <b>333,973</b>                       | <b>325,668</b>         | 276,931                |
| <b>(Deficit) surplus</b>                | <b>-</b>                             | <b>(6,823)</b>         | 188                    |

**Day Star First Nation**  
**Health**  
**Schedule 10 - Schedule of Revenue and Expenses**  
*For the year ended March 31, 2020*

|                                       | <b>2020<br/>Budget<br/>(Note 22)</b> | <b>2020<br/>Actual</b> | <b>2019<br/>Actual</b> |
|---------------------------------------|--------------------------------------|------------------------|------------------------|
| <b>Revenue</b>                        |                                      |                        |                        |
| First Nations and Inuit Health Branch | 397,861                              | 359,046                | 301,402                |
| Touchwood Agency Tribal Council       | 7,650                                | 2,825                  | -                      |
|                                       | <b>405,511</b>                       | <b>361,871</b>         | 301,402                |
| <b>Expenses</b>                       |                                      |                        |                        |
| Salaries and benefits                 | 145,189                              | 140,457                | 128,265                |
| Travel                                | 71,968                               | 83,013                 | 85,628                 |
| Meetings and workshops                | 80,893                               | 70,166                 | 49,679                 |
| Administration                        | 24,264                               | 24,264                 | 24,197                 |
| Supplies                              | 58,417                               | 21,849                 | 18,956                 |
| Amortization                          | -                                    | 8,384                  | 8,384                  |
| Professional fees                     | 7,375                                | 7,375                  | 6,843                  |
| Meals and nutrition                   | 6,250                                | 6,075                  | 4,048                  |
| Telephone                             | 6,455                                | 4,295                  | 10,650                 |
| Insurance                             | 2,300                                | 1,791                  | 4,277                  |
| Repairs and maintenance               | 1,500                                | 1,011                  | 2,248                  |
| Rent                                  | 900                                  | 770                    | -                      |
|                                       | <b>405,511</b>                       | <b>369,450</b>         | 343,175                |
| <b>Deficit</b>                        | <b>-</b>                             | <b>(7,579)</b>         | <b>(41,773)</b>        |

**Day Star First Nation**  
**Other**  
**Schedule 11 - Schedule of Revenue and Expenses**  
*For the year ended March 31, 2020*

|   | <b>2020<br/>Budget<br/>(Note 22)</b> | <b>2020<br/>Actual</b> | <b>2019<br/>Actual</b> |
|---|--------------------------------------|------------------------|------------------------|
| <b>Revenue</b>  |                                      |                        |                        |
| Indigenous Services Canada                                  | 38,859                               | 63,140                 | 20,000                 |
| Canada Mortgage and Housing Corporation                     | -                                    | 46,127                 | 63,903                 |
| Prevention retroactive funding                              | -                                    | 529,491                | -                      |
| Community Development Corporation                           | 151,607                              | 340,755                | 160,137                |
| Donations   | 200,000                              | 316,200                | 200,000                |
| Touchwood Agency Tribal Council                             | 296,010                              | 286,408                | 268,085                |
| Other   | 114,447                              | 134,323                | 64,773                 |
| Rental income   | -                                    | 52,395                 | 91,984                 |
| First Nations Trust   | 12,600                               | 12,600                 | 10,369                 |
| Interest income   | -                                    | 1,018                  | 1,108                  |
| Contributions (expense)                                     | -                                    | -                      | (8,798)                |
| (Loss) earnings from investment in Nation business entities | -                                    | (31,110)               | 86,472                 |
|   | <b>813,523</b>                       | <b>1,751,347</b>       | <b>958,033</b>         |
| <b>Expenses</b>   |                                      |                        |                        |
| Program expenses and community projects                     | 149,469                              | 344,969                | 142,379                |
| Salaries and benefits                                       | 173,352                              | 175,588                | 153,829                |
| Meetings and workshops                                      | 88,928                               | 127,858                | 24,433                 |
| Travel  | 67,766                               | 97,769                 | 40,821                 |
| Repairs and maintenance                                     | 13,500                               | 92,208                 | 52,747                 |
| Amortization  | -                                    | 64,237                 | 60,801                 |
| Professional fees   | 21,000                               | 59,136                 | 10,992                 |
| Supplies  | 66,002                               | 53,214                 | 43,269                 |
| Band support  | -                                    | 42,472                 | 16,194                 |
| Interest on long-term debt                                  | -                                    | 26,774                 | 35,766                 |
| Contracts   | -                                    | 20,603                 | 4,244                  |
| Administration  | 6,900                                | 13,821                 | 14,038                 |
| Insurance   | 3,661                                | 11,162                 | 7,467                  |
| Telephone   | 8,120                                | 6,002                  | 4,886                  |
| Utilities   | 4,680                                | 3,630                  | 4,048                  |
| Rent  | 1,755                                | 1,755                  | -                      |
| Bank charges and interest                                   | -                                    | 496                    | 226                    |
| Bad debts (recovery)  | -                                    | (7,574)                | (38,459)               |
|   | <b>605,133</b>                       | <b>1,134,120</b>       | <b>577,681</b>         |
| <b>Surplus</b>  | <b>208,390</b>                       | <b>617,227</b>         | <b>380,352</b>         |