

**DOUGLAS INDIAN BAND**  
**CONSOLIDATED FINANCIAL STATEMENTS**  
**MARCH 31, 2020**

# **DOUGLAS INDIAN BAND**

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## **CONSOLIDATED FINANCIAL STATEMENTS** **MARCH 31, 2020**

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## **DOUGLAS INDIAN BAND**

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### **MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING**

**MARCH 31, 2020**

The accompanying consolidated financial statements of Douglas Indian Band ("the First Nation") and all the information in this annual report for the year ended March 31, 2020 are the responsibility of management and have been approved by the Chief and Council.

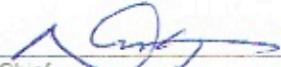
The consolidated financial statements have been prepared by management in accordance with Canadian public sector accounting standards. Financial statements are not precise since they include certain amounts based on estimates and judgment. When alternative accounting methods exist, management has chosen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

The Douglas Indian Band maintains systems of internal accounting and administrative controls of high quality, consistent with reasonable cost. Such systems are designed to provide reasonable assurance that the financial information is relevant, reliable and accurate and the Nation's assets are appropriately accounted for and adequately safeguarded.

The Chief and Council is responsible for ensuring that management fulfills its responsibilities for financial reporting and is ultimately responsible for reviewing and approving the consolidated financial statements.

The Chief and Council review the First Nation's financial statements and recommend their approval. The Chief and Council meet periodically with management, as well as the external auditors, to discuss internal controls over the financial reporting process, auditing matters and financial reporting issues to satisfy themselves that each party is properly discharging their responsibilities, and to review the annual report, the consolidated financial statements and the external auditor's report. (The Chief and Council take this information into consideration when approving the consolidated financial statements for issuance to the Members. The Chief and Council also consider the engagement of the external auditors.)

The consolidated financial statements have been audited by Reid Hurst Nagy Inc. in accordance with Canadian generally accepted auditing standards on behalf of their members. Reid Hurst Nagy Inc. has full access to Chief and Council. Reid Hurst Nagy Inc. have full and free access to the council for information purposes.

  
Chief

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Councilor

Dec 19<sup>th</sup>/2020

  
Councilor

Dec 19, 2020

## Independent Auditor's Report

To the Members of  
Douglas Indian Band

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### *Qualified Opinion*

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

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of our report, 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 changes in its consolidated net financial assets, and its consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards ("PSAS").

### *Basis for Qualified Opinion*

The First Nation has not accounted for some of the funded tangible capital assets including roads and bridges, buildings, water and other utility systems that were required to be capitalized in prior years. In this respect, the financial statements are not in accordance with Canadian public sector accounting standards. We were not able to determine the adjustments if any that might have been necessary to tangible capital assets and accumulated surplus, at the beginning and end of the year reported in the consolidated statement of financial position as at March 31, 2020; annual surplus reported in the consolidated statement of operations and accumulated surplus for the year ended March 31, 2020; annual surplus and amortization reported in the consolidated statement of cash flows for the year ended March 31, 2020; and amortization of tangible capital assets reported in the consolidated statement of change in net financial assets as at March 31, 2020.

The financial information for government business enterprises (GBEs) and government business partnerships (GBPs) are not available and have not been accounted for in the consolidated financial statements for the current and prior year. We were unable to obtain sufficient appropriate audit evidence about the carrying amount of First Nation's investment in GBEs and GBPs and First Nation's share of income (loss) from the GBEs & GBPs. Consequently, we were unable to determine the adjustments if any adjustments to due from government business enterprises, investment in government business enterprises, due to government business enterprises and liability from government business enterprises reported in the consolidated statement of financial position for the year ended March 31, 2020; net income (loss) from government business partnerships reported in the consolidated statement of operations and accumulated surplus for the year ended March 31, 2020, and advances to (from) government business enterprises reported in the consolidated statement of cash flows for the year ended March 31, 2020.

Our basis for qualification is consistent with the qualified opinion issued on the Independent Auditor's Report dated August 15, 2019 for the March 31, 2019 consolidated financial statements.

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

- ◆ Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ◆ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the First Nation's internal control.
- ◆ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- ◆ Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the First Nation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the First Nation to cease to continue as a going concern.

- ◆ Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- ◆ Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group 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.



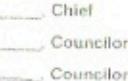
REID HURST NAGY INC.  
CHARTERED PROFESSIONAL ACCOUNTANTS  
Vancouver, B.C.  
December 15, 2020

**DOUGLAS INDIAN BAND**

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
AS AT MARCH 31, 2020

	2020	2019 Restated
	\$	\$
<b>FINANCIAL ASSETS</b>		
Cash and cash equivalents (Note 3)	2,334,317	2,064,827
Accounts receivable (Note 4)	919,961	1,626,217
Loans receivable (Note 5)	58,685	58,685
Due from government business enterprises (Note 6)	1,333,225	1,351,134
Portfolio investments (Note 7)	2,402,536	2,326,394
Investment in government business enterprises (Note 8)	129,921	129,921
Federal trust funds (Note 9)	62,213	59,798
	<b>7,240,858</b>	<b>7,616,978</b>
<b>LIABILITIES</b>		
Accounts payable and accrued liabilities (Note 10)	592,951	350,784
Demand loans (Note 11)	701,805	744,403
Deferred revenue (Note 12)	1,856,557	2,929,047
Due to government business enterprise (Note 13)	186,581	186,581
Liability from government business enterprises (Note 14)	183,925	183,925
Long-term debt (Note 15)	184,181	191,435
CMHC Mortgages (Note 16)	2,471,687	2,584,284
Capital lease obligation (Note 17)	62,603	-
Replacement reserve (Note 18)	167,237	137,403
	<b>6,407,527</b>	<b>7,307,982</b>
<b>NET FINANCIAL ASSETS</b>	<b>833,331</b>	<b>309,114</b>
<b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets (Note 19)	9,548,000	7,055,660
Prepaid expenses	36,489	29,291
	<b>9,584,489</b>	<b>7,084,951</b>
<b>ACCUMULATED SURPLUS (Note 20)</b>	<b>10,417,820</b>	<b>7,394,068</b>

**APPROVED ON BEHALF OF THE DOUGLAS INDIAN BAND**

 Chief  
 Councillor  
 Councillor

# DOUGLAS INDIAN BAND

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## CONSOLIDATED STATEMENT OF CHANGE IN NET FINANCIAL ASSETS FOR THE YEAR ENDED MARCH 31, 2020

	2020 Budget \$	2020 Actual \$	2019 Restated \$
<b>ANNUAL SURPLUS</b>	325,089	<b>3,023,755</b>	511,571
Acquisition of tangible capital assets	-	(2,902,276)	(755,868)
Amortization of tangible capital assets	-	<b>409,936</b>	358,235
	-	<b>(2,492,340)</b>	(397,633)
Acquisition of prepaid assets	-	(36,489)	(29,291)
Use of prepaid assets	-	<b>29,291</b>	128,614
	-	<b>(7,198)</b>	99,323
<b>(DECREASE) INCREASE IN NET FINANCIAL ASSETS</b>	325,089	<b>524,217</b>	213,261
<b>NET FINANCIAL ASSETS, BEGINNING OF YEAR</b>	496,814	<b>309,114</b>	95,853
<b>NET FINANCIAL ASSETS, END OF YEAR</b>	821,903	<b>833,331</b>	309,114

# DOUGLAS INDIAN BAND

## CONSOLIDATED SUMMARY STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS FOR THE YEAR ENDED MARCH 31, 2020

	2020 Budget	2020 Actual	2019 Actual Restated
	\$	\$	\$
<b>REVENUE</b>			
Indigenous Services Canada	1,038,480	<b>1,746,745</b>	3,850,025
Province of BC	77,515	<b>1,267,695</b>	136,690
Harrison Hydro LP	908,122	<b>639,794</b>	875,687
BCFN Gaming revenue	-	<b>529,348</b>	-
Rental	147,468	<b>179,677</b>	172,103
First Nations Education Steering Committee	4,584	<b>163,574</b>	28,521
Canada Mortgage and Housing Corporation	146,843	<b>140,735</b>	149,649
Investment income	-	<b>99,635</b>	128,392
Funding from First Nation organizations	101,753	<b>97,841</b>	118,389
First Nations Health Authority	32,769	<b>38,649</b>	385,268
Net income (loss) from government business partnership	105,333	-	83,333
Other	391,693	<b>595,700</b>	424,806
Deferred revenue, beginning of year	1,194,372	<b>2,929,047</b>	130,622
Deferred revenue, end of year	-	<b>(1,856,557)</b>	(2,929,047)
	4,148,932	<b>6,571,883</b>	3,554,438
<b>EXPENSES</b>			
Band Government	989,944	<b>1,108,176</b>	1,150,994
Community Infrastructure	215,079	<b>172,661</b>	355,856
Health	106,385	<b>411,085</b>	129,115
Education	369,383	<b>517,965</b>	241,411
Social Development	187,431	<b>161,490</b>	184,287
Economic Development	479,783	<b>492,274</b>	388,286
Housing	1,475,838	<b>347,456</b>	304,558
Business Enterprises Fund	-	<b>50,000</b>	50,000
Internally Restricted Capital Bylaw Fund	-	<b>22,374</b>	21,628
Capital Fund	-	<b>264,647</b>	216,732
	3,823,843	<b>3,548,128</b>	3,042,867
<b>ANNUAL SURPLUS</b>	325,089	<b>3,023,755</b>	511,571
<b>ACCUMULATED SURPLUS, BEGINNING OF YEAR</b>	-	<b>7,394,065</b>	6,882,494
<b>ACCUMULATED SURPLUS, END OF YEAR</b>	325,089	<b>10,417,820</b>	7,394,065

# DOUGLAS INDIAN BAND

## CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2020

	2020	2019 Restated
	\$	\$
<b>OPERATING ACTIVITIES</b>		
ANNUAL SURPLUS	3,023,755	511,571
Amortization	409,935	358,235
	<hr/>	<hr/>
	3,433,690	869,806
Change in non-cash items on statement of financial position		
Accounts receivable	706,256	(1,233,641)
Loans receivable	-	5,000
Prepaid expenses	(7,198)	99,323
Accounts payable and accrued liabilities	242,167	(258,042)
Deferred revenue	(1,072,490)	2,798,426
Federal trust funds	(2,415)	(1,453)
Replacement reserve	29,834	26,590
	<hr/>	<hr/>
	3,329,844	2,306,009
<b>CAPITAL ACTIVITIES</b>		
Acquisition of tangible capital assets	(2,902,275)	(755,868)
<b>FINANCING ACTIVITIES</b>		
Principal repayment on long-term debt	(73,431)	(7,254)
Proceed from long-term debt	66,177	706,825
Principal repayment on CMHC mortgage	(112,597)	(149,647)
Proceed from capital lease obligation	69,968	-
Repayment of capital lease obligation	(7,365)	-
Principal repayment on demand loan	(42,598)	(41,296)
Advances to (from) government business enterprises	17,909	(978)
	<hr/>	<hr/>
	(81,937)	507,650
<b>INVESTING ACTIVITIES</b>		
Change in portfolio Investments	(76,142)	(124,146)
<b>INCREASE IN CASH AND CASH EQUIVALENTS</b>	269,490	1,933,645
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>	<b>2,064,827</b>	<b>131,182</b>
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	<b>2,334,317</b>	<b>2,064,827</b>

The accompanying notes are an integral part of the financial statements

# DOUGLAS INDIAN BAND

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## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS MARCH 31, 2020

### 1. NATURE OF OPERATIONS

The Douglas Indian Band (the "First Nation") is an Indian Band as defined by the Indian Act, and located in the province of British Columbia. The First Nation manages various programs offered by Indigenous Services Canada (ISC) and other funding agents to benefit its members.

### 2. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES

These financial statements are prepared in accordance with Canadian public sector accounting standards for governments as recommended by the Public Sector Accounting Board of CPA Canada.

#### (a) Reporting Entity

The First Nation reporting entity includes the Douglas Indian Band government and all related entities that are controlled by the First Nation.

#### (b) Principles of Consolidation

The consolidated financial statements reflect the assets, liabilities, revenues, and expenses of entities which are controlled by the First Nation. Controlled entities are consolidated, except for government business enterprises and government business partnerships, which are accounted for by the modified equity method. All inter-fund and inter-organization transactions and balances have been eliminated on consolidation.

The First Nation records its investments in government business enterprises (GBE) and government business partnerships (GBP) on a modified equity basis. Under the modified equity basis, the GBE's and GBP's accounting policies are not adjusted to conform with those of the First Nation and inter-entity transactions and balances are not eliminated. The First Nation recognizes its equity interest in the annual earnings or losses of the GBE's and GBP's in its consolidated statement of operations with a corresponding increase or decrease in its investment asset account. Any dividends or other cash distributions that the First Nation may receive from the GBE's and GBP's will be reflected as deductions in the investment asset account.

Entities accounted for on a modified equity basis include:

1. TTQ Economic Development Corporation - 100% interest
2. Takem Ti Qwelsa7 Eco-Resource Corporation - 100% interest
3. Xa'xtsa Gas Station Ltd. - 100% interest
4. 1020376 B.C. Ltd - 33.33% interest
5. Tsetsa7 Forestry Limited Partnership - 16.67%
6. Tsetsa7 Loakam (Logging) Ltd.

#### (c) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, balances with banks net of bank overdrafts and term deposits having a maturity of three months or less at acquisition which are held for the purpose of meeting short-term cash commitments.

#### (d) Portfolio Investments

Portfolio investments are recorded at cost. Portfolio investments are written down where there has been a loss in value that is other than a temporary decline.

# DOUGLAS INDIAN BAND

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## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS MARCH 31, 2020

### 2. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES, continued

#### (e) Trust Funds

Trust funds held by Federal Government:

The trust funds arise from monies derived from capital or revenue sources as outlined in Section 62 of the Indian Act. These funds are held in trust in the Consolidated Revenue Fund of the Government of Canada and are subject to audit by the Office of the Auditor General of Canada. The management of these funds is primarily governed by Sections 63 to 69 of the Indian Act.

#### (f) Loans Receivable

Loans receivable are recorded at cost less any amount for valuation allowance. Valuation allowances are made when collection is in doubt as assessed by management. Loans are reviewed on an annual basis by management. Interest income is accrued on loans receivable to the extent it is deemed collectable.

#### (g) 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 such. In these circumstances, the First Nation recognizes revenue when the liability is settled. Transfers of non-depreciable assets are recognized in revenue when received or receivable.

Trust Funds:

The First Nation recognizes revenues of a Trust Fund at the time funds are contributed from the accounts held by the trust. Investment and interest revenue is recognized when earned.

Housing Rental Income:

Rental revenue is recorded in the year it is earned. At the end of each year management evaluates whether rent revenue is collectible and records a bad debt expense and allowance for doubtful accounts for those amounts designated as unlikely to be collected.

Own Source Revenue:

Revenues are recognized in the period in which the transactions or events occurred that gave rise to the revenues. All revenues are recorded on an accrual basis, except when the accruals cannot be determined with a reasonable degree of certainty or when their estimation is impracticable.

Contributions from other sources are deferred when restrictions are placed on their use by the contributor, and are recognized as revenue when used for the specific purpose.

Revenue related to fees or services received in advance of the fee being earned or the service being provided is deferred and recognized when the fee is earned or service provided.

# DOUGLAS INDIAN BAND

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## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS MARCH 31, 2020

### 2. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES, continued

#### (h) Tangible Capital Assets

Tangible capital assets are recorded at cost, which includes amounts that are directly related to the acquisition, design, construction, development, improvement or betterment of the assets. Cost includes overhead directly attributable to construction and development, as well as interest costs that are directly attributable to the acquisition or construction of the asset.

Leases that transfer substantially all the benefits and risks of ownership to the lessee are recorded as capital leases. Accordingly, at the inception of the leases, the tangible capital assets and related lease obligations are recorded at an amount equal to the present value of future lease payments discounted at the lower of the interest rate inherent in the lease contracts and the First Nation's incremental cost of borrowing.

Amortization is provided on the following basis over the estimated useful life of the tangible capital assets as follows:

Building and infrastructure	4 % Declining balance
Office equipment	20% Declining balance
Machinery and equipment	20% Declining balance
Trailer	20% Declining balance
Truck	20% Declining balance
Telephone poles	5% Declining balance
Asset under capital lease	20% Declining balance
Gas Bar	15 years Straight line
Infrastructure	4% Declining balance
Childcare Centre	4% Declining balance

Tangible capital assets are written down when conditions indicate that they no longer contribute to the First Nation's ability to provide goods and services, or when the value of future economic benefits associated with the tangible capital assets are less than their net book value. The net write-downs are accounted for as expenses in the statement of operations.

Contributed tangible capital assets are recorded into revenues at their fair value on the date of donation, except in circumstances where fair value cannot be reasonably determined, in which case they are recognized at nominal value. Transfers of tangible capital assets from related parties are recorded at carrying value.

Certain assets which have historical or cultural value, including works of art, historical documents and historical and cultural artifacts, are not recognized as tangible capital assets. Assets under construction are not amortized until the asset is available to be put into service.

No amortization will be taken for construction in progress until the project is completed and the tangible capital asset is in service.

#### (i) Deferred Revenue

Under the terms of the contribution agreement between the First Nation, ISC and certain other agencies, the First Nation may be liable to repay any contributed funds either not expended or not expended in accordance with the agreement. On the other hand, any deficit, supported by claims eligible for reimbursement under the terms and conditions of the funding agreements, may be reimbursed by the contributor subject to the program's terms and conditions. The First Nation has recorded all known unexpended contribution funds as deferred revenue and/or accounts payable.

# DOUGLAS INDIAN BAND

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## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS MARCH 31, 2020

### 2. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES, continued

#### (j) Asset Classification

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

#### (k) Measurement Uncertainty

In preparing the consolidated financial statements for the First Nation's, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities, at the date of the consolidated financial statements and the reported amounts of revenue and expenses during the period. Items requiring the use of significant estimates include allowance for doubtful accounts, accruals and useful lives of tangible capital assets. Actual results could differ from these estimates.

#### (l) Segments

The First Nation conducts its business through reportable segments. These operating segments are established by senior management to facilitate the achievement of the First Nation's long-term objectives, aid in resource allocation decisions, and to assess operational performance. For each reported segment, revenues and expenses represent both amounts that are directly attributed to the segment and amounts that are allocated on a reasonable basis. The accounting policies used in these segments are consistent with those followed in the preparation of the consolidated financial statements.

#### (m) Liability for Contaminated Sites

A liability for contaminated sites is recognized when a site is not in productive use and the following criteria are met:

- (i) an environmental standard exists;
- (ii) contamination exceeds the environmental standard;
- (iii) Douglas Indian Band is directly responsible or accepts responsibility
- (iv) it is expected that future economic benefits will be given up; and
- (v) a reasonable estimate of the amount can be made.

The liability is recognized as management's estimate of the cost of post-remediation including operation, maintenance and monitoring that are an integral part of the remediation strategy for a contaminated site.

As at March 31, 2019 and 2020, no liability for contaminated sites has been recorded.

# DOUGLAS INDIAN BAND

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## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS MARCH 31, 2020

### 3. CASH AND CASH EQUIVALENTS

Cash and cash equivalents is comprised of the following:

	2020	2019
	\$	\$
Externally restricted		
Operating reserve fund	477,777	428,341
Replacement reserve fund	143,960	137,036
	<hr/> 621,737	<hr/> 565,377
Unrestricted		
Operating funds	1,712,580	1,499,450
<b>Total Cash and Cash Equivalents</b>	<b>2,334,317</b>	<b>2,064,827</b>

#### **Externally restricted - Operating Reserve:**

In accordance with the terms and conditions of the "Operating Agreement" with Canada Mortgage & Housing Corporation, the First Nation is to set aside any surplus revenue to an operating reserve for the purpose of meeting future requirements of income-listed occupants over and above the maximum federal assistance. The fund may be replenished to its original limit from subsequent operating surpluses.

At the year end, the reserve was over funded by \$326,298 (2019: over funded by \$324,558).

#### **Externally restricted - Replacement Reserve:**

In accordance with the terms and conditions of the "Operating Agreement" with Canada Mortgage & Housing Corporation, the First Nation must set aside funds annually for the repair, maintenance and replacement of worn out assets. These funds are to be held in a separate bank account and invested only in accounts or instruments insured by the Canada Deposit Insurance Corporation or as otherwise approved by the Canada Mortgage and Housing Corporation with any interest earned to be credited as revenue to the replacement reserve.

At year end, the reserve was under funded by \$23,278 (2019: under funded by \$367).

# DOUGLAS INDIAN BAND

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## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS MARCH 31, 2020

### 4. ACCOUNTS RECEIVABLE

	2020	2019 Restated
	\$	\$
Due from government organizations:		
GST Public Service Bodies Rebate	6,238	5,465
Canada Mortgage and Housing Corporation	11,232	29,420
Indigenous Services Canada	41,034	468,561
First Nations Health Authority	5,000	-
	<hr/> <b>63,504</b>	<hr/> <b>503,446</b>
Due from members:		
Rent receivable	421,936	388,410
Advances	4,440	7,034
	<hr/> <b>426,376</b>	<hr/> <b>395,444</b>
Due from others:		
Southern St'at'imc Health Society	152,758	202,637
Harrison Hydro	471,103	554,404
First Nations Education Steering Committee	49,750	6,209
Other	189,637	323,312
	<hr/> <b>863,248</b>	<hr/> <b>1,086,562</b>
Allowance for doubtful accounts	<hr/> <b>1,353,128</b>	<hr/> <b>1,985,452</b>
	<hr/> <b>(433,167)</b>	<hr/> <b>(359,235)</b>
	<hr/> <b>919,961</b>	<hr/> <b>1,626,217</b>

### 5. LOANS RECEIVABLE

	2020	2019 Restated
	\$	\$
Homeowner repayment - Lot 7: The loan receivable is interest free with a monthly installment of \$450 commencing December 2013 until it is paid in full.	<hr/> <b>58,685</b>	<hr/> <b>58,685</b>
	<hr/> <b>58,685</b>	<hr/> <b>58,685</b>

# DOUGLAS INDIAN BAND

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## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS MARCH 31, 2020

### 6. DUE FROM GOVERNMENT BUSINESS ENTERPRISES

	2020	2019
	\$	\$
TTQ Economic Development Corporation	1,034,381	1,083,976
Xa'xtsa Gas Station Ltd.	298,844	267,158
	<hr/> <b>1,333,225</b>	<hr/> <b>1,351,134</b>

Advances due from government business enterprises are unsecured, non-interest bearing with no specific terms of repayment.

### 7. PORTFOLIO INVESTMENTS

The First Nation through the bylaw process established three internally restricted capital funds to ensure that the principal portions of qualifying Own Source Revenues (OSR) are held in perpetuity for future generations of the First Nation's members and that such funds be allocated in accordance with the bylaw as follows:

35% into the First Nation's Infrastructure Fund;  
30% into the First Nation's Capital Fund; and  
35% into the First Nation's Economic Development Fund.

The provisions of the bylaw include restrictions or limits on amounts to be withdrawn from the said funds, the rates of interest for approved term fund withdrawals, as well as fund investment criteria.

The primary purpose of the bylaw is to ensure the preservation of the said capital funds.

The cost and fair market value for each fund is outlined below:

	Infrastructure Fund	Capital Fund	Economic Development Fund	2020 Total	2019 Total Restated
	\$	\$	\$	\$	\$
Investment at cost	339,428	1,311,072	752,036	2,402,536	2,326,394
Unrealized gain/(loss)	(17,351)	(34,137)	(19,052)	(70,540)	187,698
Market value	<hr/> 322,077	<hr/> 1,276,935	<hr/> 732,984	<hr/> <b>2,331,996</b>	<hr/> <b>2,514,092</b>

The portfolio investments consist of cash, money market fund, fixed income securities, Canadian, United States, and other non North American equities.

# DOUGLAS INDIAN BAND

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## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS MARCH 31, 2020

### 8. INVESTMENT IN GOVERNMENT BUSINESS ENTERPRISES

The First Nation's investment in government business enterprises consist of the following:

	2020	2019
	\$	\$
Takem Ti Qwelsa7 Eco-Resource Corporation - 100%	129,421	129,421
1020376 B.C. Ltd. - 33.33%	500	500
	<b>129,921</b>	<b>129,921</b>

The financial information for Takem Ti Qwelsa7 Eco-Resource Corporation and 1020376 B.C. Ltd. for the year ended March 31, 2020 is not available.

### 9. FEDERAL TRUST FUNDS

	2020 Revenue Funds	2020 Capital Funds	2020 Total	2019 Total
	\$	\$	\$	\$
Balance, beginning of year	51,465	8,333	59,798	58,345
Distributions	772	-	772	-
Interest earnings	1,643	-	1,643	1,453
Balance, end of year	<b>53,880</b>	8,333	<b>62,213</b>	59,798

### 10. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2020	2019 Restated
	\$	\$
Accounts payable and accrued liabilities	515,148	299,056
Wages payable	20,812	10,231
Government remittances	12,412	7,161
Vacation and overtime payable	39,228	21,500
Pension payable	5,351	12,836
	<b>592,951</b>	<b>350,784</b>

The vacation and overtime liability is comprised of the vacation and overtime that employees are deferring to future years. Employees have either earned the benefits or are entitled to these benefits within the next budgetary year.

The First Nation provides a defined contribution plan for eligible members of its staff. Members are required to contribute 5% of their salary and the First Nation is required to match their contribution of 5%. The amount of the retirement benefit to be received by the employees will be the amount of the retirement annuity that could be purchased based on the member's share of the pension plan at the time of the member's withdrawal from the plan. During the year, the First Nation contributed \$30,961 (2019: \$27,402) for retirement benefits. The First Nation does not have any other obligations with regards to the pension plan as at March 31, 2020.

# DOUGLAS INDIAN BAND

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## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS MARCH 31, 2020

### 11. DEMAND LOANS

	2020	2019
	\$	\$
Bank of Montreal: The non-revolving demand loan is due on demand and bears interest at prime plus 0.75% with a monthly payment of \$1,779 including interest. The loan will be due in May 2034.	<b>119,444</b>	134,935
Bank of Montreal: The non-revolving demand loan is due on demand and bears interest at prime plus 0.75% with a monthly payment of \$4,538 including interest. The loan will be due in May 2034.	<b>582,361</b>	609,468
	<b>701,805</b>	744,403

In management's opinion, the lender will not exercise the early repayment clause of the demand loan in the current period. Assuming early repayment of demand loans are not demanded, regular principal payments required on demand loans in each of the next years are as follows:

2021	54,132
2022	55,890
2023	57,808
2024	59,685
2025 and thereafter	61,624
Thereafter	<b>412,666</b>
	<b>701,805</b>

	2020	2019
	\$	\$
Interest expense for the year on demand loans	<b>33,213</b>	34,505

# DOUGLAS INDIAN BAND

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## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS MARCH 31, 2020

### 12. DEFERRED REVENUE

The following table represents changes in the deferred revenue balance attributable to each funding source:

	March 31, 2019	Revenue recognized, 2020	Funding received, 2020	March 31, 2020
	\$	\$	\$	\$
<b>Federal Government</b>				
Indigenous Services Canada - FLEX Contribution	635,316	(635,316)	269,392	269,392
Indigenous Services Canada - FIXED Contribution	1,937,476	(1,937,476)	338,185	338,185
First nation Health Authority	356,255	(356,255)	-	-
	2,929,047	(2,929,047)	607,577	607,577
<b>Provincial Government</b>				
Province of British Columbia - MCFD	-	-	1,160,180	1,160,180
<b>Other</b>				
First Nations Education Steering Committee	-	-	88,800	88,800
	2,929,047	(2,929,047)	1,856,557	1,856,557

### 13. DUE TO GOVERNMENT BUSINESS ENTERPRISE

	2020	2019
	\$	\$
Takem Ti Qwelsa7 Eco-Resource Corporation	186,581	186,581

Advances due to the government business enterprise are unsecured, non-interest bearing with no specific terms of repayment.

### 14. LIABILITY FROM GOVERNMENT BUSINESS ENTERPRISES

The following represents the accumulated deficit from the investment in government business enterprises:

	2020	2019
	\$	\$
TTQ Economic Development Corporation - 100%	110,437	110,437
Xa'xtsa Gas Station Ltd. - 100%	73,488	73,488
	183,925	183,925

The financial information for TTQ Economic Development Corporation and Xa'xtsa Gas Station Ltd. for the year ended March 31, 2020 is not available.

# DOUGLAS INDIAN BAND

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## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS MARCH 31, 2020

### 15. LONG-TERM DEBT

	2020 \$	2019 \$
Coastal Ford Sales Limited: The loan is repayable in monthly installments of \$1,385, including interest at 6.99% per annum. The loan matures on February 2024.	<u>56,754</u>	68,935
Coastal Ford Sales Limited: The loan is repayable in monthly installments of \$1,211, including interest at 6.99% per annum. The loan matures on August 24 2025.	<u>66,177</u>	-
Tretheway Creek Power Limited Partnership: The loan is repayable in annual payments of \$61,250 and non- interest bearing. The loan matures on March 2021.	<u>61,250</u>	122,500
	<u><b>184,181</b></u>	<u><b>191,435</b></u>
Principal portion of long-term debt due within the next five years and thereafter:		
2021	<u>84,529</u>	
2022	<u>24,959</u>	
2023	<u>26,761</u>	
2024	<u>27,271</u>	
2025 and thereafter	<u>20,661</u>	
	<u><b>184,181</b></u>	
Interest expense for the year on long-term debt	<u>2020 \$</u>	<u>2019 \$</u>
	<u><b>5,794</b></u>	<u><b>407</b></u>

# DOUGLAS INDIAN BAND

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## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS MARCH 31, 2020

### 16. CMHC MORTGAGES

	2020	2019
	\$	\$
All Nations Trust Company - Phase 001: The mortgage is repayable in monthly installments of \$2,209, including interest at 1.3% per annum. The mortgage matures on September 1, 2025 with the next renewal date on December 1, 2020 and is guaranteed by Indigenous Services Canada.	<b>140,670</b>	165,180
All Nations Trust Company - Phase 002: The mortgage is repayable in monthly installments of \$3,615, including interest at 1.91% per annum. The mortgage matures on June 1, 2039 with the next renewable date on June 1, 2024 and is guaranteed by Indigenous Services Canada.	<b>698,689</b>	728,399
All Nations Trust Company - Phase 004: The mortgage is repayable in monthly installments of \$3,023, including interest at 1.17% per annum. The mortgage matures on January 1, 2041 with the next renewal date on January 1, 2021 and is guaranteed by Indigenous Services Canada.	<b>670,653</b>	698,905
All Nations Trust Company - Phase 005: The mortgage is repayable in monthly installments of \$4,542, including interest at 2.50% per annum. The mortgage matures on June 1, 2043 with the next renewal date on June 1, 2023 and is guaranteed by Indigenous Services Canada.	<b>961,675</b>	991,800
	<b>2,471,687</b>	2,584,284

Principal portion of CMHC mortgages due within the next five years:

	\$
2021	114,407
2022	116,441
2023	118,514
2024	120,628
2025 and thereafter	<b>2,001,697</b>
	<b>2,471,687</b>
	-
	2020
	\$
Interest expense for the year on CMHC mortgages	<b>47,988</b>
	2019
	\$
	47,442

# DOUGLAS INDIAN BAND

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## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS MARCH 31, 2020

### 17. CAPITAL LEASE OBLIGATION

	2020 \$	2019 \$
Toyota Sequoia Truck Lease - repayable at \$1,246 monthly payments bearing interest of 3.49% annually. The loan will mature in September 2022 with the last payment representing the purchase option of \$30,396. It is secured by the underlining truck.	<u>62,603</u>	-

Total interest paid in the year is \$1,360.

Principal portion of long-term debt due within the next five years:

2021	12,979	-
2022	13,439	-
2023	36,185	-
<b>Total</b>	<b>62,603</b>	-

### 18. REPLACEMENT RESERVE

The Replacement Reserve is established in accordance with the Operating Agreements with CMHC for on-reserve housing. Funds are required to be set aside annually and held for future replacements of capital items related to the housing units.

	2020 \$	2019 Restated \$
Balance, beginning of year	137,401	110,813
Current year appropriations	27,441	25,855
Interest income	3,999	1,965
Current year expenditures	(1,604)	(1,230)
<b>Balance, end of the year</b>	<b>167,237</b>	137,403

# DOUGLAS INDIAN BAND

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS MARCH 31, 2020

### 19. TANGIBLE CAPITAL ASSETS

	Cost			Accumulated amortization				2020 net book value
	Balance, beginning of year	Additions	Disposals	Balance, end of year	Balance, beginning of year	Amortization	Accumulated amortization on disposals	
	\$	\$	\$	\$	\$	\$	\$	\$
Band Housing	753,249	1,335,900	-	2,089,149	390,207	14,521	-	404,728
CMHC social housing	4,423,674	-	-	4,423,674	791,460	145,288	-	936,748
Office equipment	118,317	62,882	-	181,199	79,787	13,058	-	92,845
Machinery and equipment	259,758	-	-	259,758	238,559	4,240	-	242,799
Construction in progress	52,461	29,179	(40,573)	41,067	-	-	-	41,067
Trailer	28,500	-	-	28,500	28,500	-	-	28,500
Truck	498,283	94,504	-	592,787	83,147	95,918	-	179,065
Telephone poles	5,469	-	-	5,469	3,965	75	-	4,040
Leased tangible capital assets	-	69,968	-	69,968	-	7,744	-	7,744
Gas Bar	491,222	-	-	491,222	163,741	32,748	-	196,489
Infrastructure	1,797,932	1,226,346	-	3,024,278	96,555	74,575	-	171,130
Childcare Centre	534,804	124,069	-	658,873	32,088	21,768	-	53,856
	<b>8,963,669</b>	<b>2,942,848</b>	<b>(40,573)</b>	<b>11,865,944</b>	<b>1,908,009</b>	<b>409,935</b>	<b>-</b>	<b>2,317,944</b>
								<b>9,548,000</b>

	Cost			Accumulated amortization				2019 Net book value
	Balance, beginning of year	Additions	Disposals	Balance, end of year	Balance, beginning of year	Amortization	Accumulated amortization on disposals	
	\$	\$	\$	\$	\$	\$	\$	\$
Band Housing	753,249	-	-	753,249	372,497	17,710	-	390,207
CMHC social housing	3,006,771	1,416,903	-	4,423,674	649,957	141,503	-	791,460
Office equipment	217,572	5,181	(104,436)	118,317	168,451	15,772	(104,436)	79,787
Machinery and equipment	258,842	916	-	259,758	232,014	6,545	-	238,559
Construction in progress	1,407,634	52,461	(1,407,634)	52,461	-	-	-	52,461
Trailer	28,500	-	-	28,500	27,300	1,200	-	28,500
Truck	57,265	441,018	-	498,283	27,593	55,554	-	83,147
Telephone poles	5,469	-	-	5,469	3,692	273	-	3,965
Gas Bar	491,222	-	-	491,222	130,992	32,749	-	163,741
Infrastructure	1,550,909	247,023	-	1,797,932	31,018	65,537	-	96,555
Childcare Centre	534,804	-	-	534,804	10,696	21,392	-	32,088
	<b>8,312,237</b>	<b>2,163,502</b>	<b>(1,512,070)</b>	<b>8,963,669</b>	<b>1,654,210</b>	<b>358,235</b>	<b>(104,436)</b>	<b>7,055,660</b>

The construction in progress for current fiscal year represent construction of a signage project and community garden. Projects are funded through ISC funding from current and prior years.

# DOUGLAS INDIAN BAND

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## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS MARCH 31, 2020

### 20. ACCUMULATED SURPLUS

Accumulated surplus is comprised of the following:

	2020	2019 Restated
	\$	\$
Externally Restricted		
Housing Reserve	151,480	104,783
Ottawa Trust Funds	62,211	59,796
Internally Restricted		
Internally Restricted Capital Bylaw Fund (Note 22)	4,862,152	4,611,275
Unrestricted		
Band Government	(1,021,999)	(1,196,179)
Business Enterprises Fund	112,188	112,188
Invested in Tangible Capital Assets	<u>6,251,788</u>	<u>3,702,202</u>
	<hr/> <b>10,417,820</b>	<hr/> <b>7,394,065</b>

### 21. TRUST FUNDS HELD BY ST'AT'IMC (PC) 2011 TRUST

The St'at'imc Communities reached a settlement agreement with the Province of British Columbia and BC Hydro on May 10, 2011 to compensate for impacts to St'at'imc lands and people in respect of past, present and future hydro development in the St'at'imc territory. As a result, the St'at'imc (PC) 2011 Trust was established to receive the settlement funds and flows funds to the participating communities.

The First Nation is a beneficiary of these funds and have no control over the assets or liabilities of the trust. Accordingly, assets has been excluded in these consolidated financial statements.

# DOUGLAS INDIAN BAND

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## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS MARCH 31, 2020

### 22. INTERNALLY RESTRICTED CAPITAL BYLAW FUNDS

The capital bylaw funds were established on December 13, 2014 by the First Nation to ensure a portion of own source revenues are invested in long-term growth with the goal of developing a substantial financial reserve for the future benefit of the Douglas First Nation and its member. Three funds were established for the following purpose:

Infrastructure:

To invest in approved capital projects in accordance with the First Nation's Investment Policy Statement.

Capital Fund:

To invest in approved infrastructure projects in accordance with the First Nation's Investment Policy Statement.

Economic Development:

Money's held in this fund will be used for investment in share capital, secured mortgage loans, joint ventures, secured business loans, and other business ventures that the Council deems to be economically beneficial.

	Infrastructure Fund \$	Capital Fund \$	Economic Development Fund \$	2020 \$	2019 \$
Portfolio Investments at cost (Note 8)	339,428	1,311,072	752,036	<b>2,402,536</b>	2,326,394
Accounts Receivable	164,886	141,331	164,886	<b>471,103</b>	554,403
Loans Receivable - Internal	95,291	97,033	96,540	<b>288,864</b>	320,406
Underfunded amount	585,038	514,892	599,719	<b>1,699,649</b>	1,410,072
	<b>1,184,643</b>	<b>2,064,328</b>	<b>1,613,181</b>	<b>4,862,152</b>	<b>4,611,275</b>

During the year, no withdrawals were made from these funds.

### 23. BUDGETED FIGURES

Budgeted figures have been provided for comparison purposes and have been derived from the estimates approved by the Chief and Council.

# DOUGLAS INDIAN BAND

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## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS MARCH 31, 2020

### 24. EXPENSES BY OBJECT

	2020	2020	2019
	\$	\$	\$
Aboriginal title, rights, or responsibilities	15,000	-	-
Administration fees	60,000	<b>38,589</b>	40,858
Advertising	35,620	<b>43,858</b>	41,933
Amortization	-	<b>409,936</b>	358,235
Bad debts	-	<b>73,932</b>	51,163
Consulting	1,275,365	<b>419,411</b>	274,638
Donation	3,327	<b>3,000</b>	11,460
Education	93,140	<b>159,321</b>	103,611
Equipment lease	-	<b>3,246</b>	-
Flowthrough to TTQ	-	<b>113,370</b>	50,000
Fuel and propane	9,254	<b>4,429</b>	2,769
Health	44,559	<b>42,120</b>	53,238
Honorariums	31,200	<b>43,671</b>	45,516
Infrastructure and programming	-	<b>16,440</b>	-
Insurance	59,720	<b>71,423</b>	72,997
Interest and bank charges	25,500	<b>36,547</b>	44,891
Interest on long-term debt	173,290	<b>86,995</b>	82,254
Materials and supplies	86,784	<b>69,147</b>	36,448
Members distribution	146,000	<b>119,334</b>	117,577
Office	120,649	<b>57,547</b>	59,385
Professional fees	119,600	<b>114,949</b>	107,467
Repairs and maintenance	157,040	<b>97,329</b>	187,515
Social assistance	192,059	<b>160,679</b>	177,609
Training	3,000	<b>5,507</b>	1,606
Travel and workshop	182,136	<b>247,839</b>	229,345
Utilities and telephone	131,398	<b>184,851</b>	119,898
Wages and benefits	859,202	<b>924,659</b>	772,454
	<hr/>	<hr/>	<hr/>
	3,823,843	<b>3,548,129</b>	3,042,867

### 25. LEASE COMMITMENTS

The First Nation entered into a lease agreement for office space in Pemberton, and a Sublease agreement for office space in Mount Currie. Total commitment from lease and sublease for the First Nation is \$2,650 per month.

### 26. RELATED PARTY TRANSACTIONS

During the year ended March 31, 2020, the First Nation entered into transactions with related parties as follows:

- The First Nation flowthroughed \$113,370 (2019: \$50,000) of funding to its government business enterprise TTQ Economic Development Corporation.
- The First Nation paid \$5,883 (2019: \$70,600) in waste removal expense to 1020376 B.C. Ltd, a company which the Nation has 1/3 interest in.

# **DOUGLAS INDIAN BAND**

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## **NOTES TO CONSOLIDATED FINANCIAL STATEMENTS** **MARCH 31, 2020**

### **27. ECONOMIC DEPENDENCE**

The First Nation and controlled entities ("First Nation") are financially dependent on funding from government sources to operate programs and to complete capital projects. The First Nation's ability to operate certain programs depends on continuation of these source of funding.

Contributions from Indigenous Services Canada ("ISC") are under terms of Financial Transfer Agreements ("FTA") and are provided on a block funding basis. Generally, FTA funding is provided on a multi-year basis and any unexpected balance is not repayable.

These financial statements do not reflect adjustments in the carrying value of assets and liabilities, the reported revenue and expenses and the statement financial position classifications used that would be necessary if the going-concern assumption were not appropriate.

### **28. CONTINGENT LIABILITIES**

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.

In the normal course of its operations, the First Nation occasionally becomes involved in legal actions. Some of these potential liabilities may become actual liabilities when one or more future events occur or fail to occur. To the extent that the future event is likely to occur, and a reasonable estimate of the loss can be made, an estimated liability is accrued and an expense recorded on the First Nation's financial statements.

As at March 31, 2020, the total ministerial housing loan guarantees provided to financial institutions for outstanding loans to the First Nation is \$2,471,686.

# DOUGLAS INDIAN BAND

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## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS MARCH 31, 2020

### 29. PRIOR PERIOD RESTATEMENT

During the year, Douglas Indian Band ( the "First Nation") determined that adjustments are required to correct the tangible capital assets, trust funds held by St'at'imc (PC) 2011 trust, replacement reserve, revenue and expenses related to programs administrated by the First Nation in its comparative information.

- a) In previous years, the Social Housing program reported the replacement reserve fund as accumulated surplus. The replacement reserve has been restated to be presented as a liability in accordance with section PS3100 of Canadian public accounting standards ("PSAS").
- b) In previous years, the First Nation reported the inter-entity receivables and payables on statement of financial position on a gross basis. The inter-entity balances has been eliminated in accordance with section PS2500 of Canadian public accounting standards ("PSAS")
- c) In previous years, the First Nation recognized Trust funds held by St'at'imc (PC) 2011 Trust as a financial asset. The First Nation is a beneficiary of the trust fund and have no control over the assets or liabilities of the trust. Trust funds held by St'at'imc (PC) 2011 trust has been derecognized in accordance with section PS1201 & PS3210 of Canadian public accounting standards ("PSAS").
- d) In previous years, the Social Housing program adopted a policy of amortization in compliance with the CMHC Operating Agreement, the Social Housing Program had recorded amortization at a rate equivalent to the annual principal reduction in the related CMHC mortgage. The net book value of the tangible capital assets has been restated to comply with section PS3150 of Canadian public accounting standards ("PSAS").
- e) The First Nation discovered that construction in progress relating to Douglass Creek Bridge construction was understated as at March 31, 2019. This error has been corrected by restating the tangible capital assets, equity in tangible capital assets and community infrastructure program expenses for prior period.
- f) The First Nation discovered that a Province of BC funding was not recognized for the year ended March 31, 2019. This error has been corrected by restating the accounts receivable and revenue for prior period.
- g) In previous years, the First Nation reported the portfolio investment at fair market value. The portfolio investment has been restated to be presented at cost in accordance to PS3041 of Canadian public accounting standards ("PSAS").

The consolidated financial statements as at March 31, 2019 have been restated as follows:

		Adjustments		
		As previously stated in 2019	Increase (Decrease)	As restated 2019
		\$	\$	\$
Consolidated Statement of Financial Position				
Financial assets				
Portfolio investments	g)	2,514,093	(187,699)	<b>2,326,394</b>
Accounts receivable & f)	b)	3,038,655	(1,412,438)	<b>1,626,217</b>
Loan receivable	b)	347,549	(288,864)	<b>58,685</b>
Trust funds held by St'at'imc (PC) 2011 Trust	c)	1,540,111	(1,540,111)	-
Liabilities				
Accounts payable and accrued liabilities	b)	1,792,397	(1,441,613)	<b>350,784</b>
Loan payable	b)	288,864	(288,864)	-

# DOUGLAS INDIAN BAND

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## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS MARCH 31, 2020

Replacement reserve	a)	-	137,403	<b>137,403</b>
Non-financial assets				
Tangible capital assets				
	a) & e)	7,229,450	(173,790)	<b>7,055,660</b>
Consolidated Statement of Operations				
Revenue				
Province of BC	f)	107,514	29,176	<b>136,690</b>
Other	c) & d)	743,249	(318,443)	<b>424,806</b>
Expenses				
Community Infrastructure	e)	427,880	(72,024)	<b>355,856</b>
Housing	a)	264,263	40,295	<b>304,558</b>
St'at'imc (PC) 2011 Trust fund	c)	144,216	(144,216)	-
Housing Reserves	d)	1,230	(1,230)	-
Unrealized gain (loss)	c) & g)	37,788	(37,788)	-
Current year surplus (deficit)	a), c), d), e), f) & g)	661,452	(149,882)	<b>511,570</b>
Consolidated Statement of Accumulated surplus				
Accumulated surplus	a), c), d), e), f) & g)	9,403,893	(2,009,828)	<b>7,394,065</b>

## 30. SUBSEQUENT EVENTS

On March 11, 2020, the World Health Organization categorized COVID-19 as a pandemic. The potential economic effects within the First Nation's environment and in the global markets due to the possible disruption in supply chains, and measures being introduced at various levels of government to curtail the spread of the virus (such as travel restrictions, closures of non-essential municipal and private operations, impositions of quarantines and social distancing) could have a material impact on the First Nation's operations.

The extent of the impact of this outbreak and related containment measures on the First Nation's operations cannot be reliably estimated at this time

# DOUGLAS INDIAN BAND

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## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS MARCH 31, 2020

### 31. SEGMENTED INFORMATION

As previously discussed in note 1 (k) the First Nation conducts its business through reportable segments as follows:

Band Government department is responsible for administering projects the Band is involved in annually and on an on-going basis relating to the overall objectives of the First Nation and the development of stable, legitimate and accountable community governments. It also provides overall support of the First Nation including advisory services relating to financial management, band government, economic development, community services and technical services.

Community Infrastructure department manages capital projects within the community undertaken to support the growth and/or maintenance of the First Nation's infrastructure.

Health department oversees the delivery of health programs and initiatives for the betterment of the lives of the members of the First Nation.

Education department supports the members in expressing, preserving, developing and promoting its cultural heritage through the establishment and operation of First Nation education centres and programs. It also provides services for students at the elementary/secondary and post secondary level, including: instructional services both on and off reserve as well as support services such as transportation, accommodation, guidance and counselling.

Social Development department provides assistance to community members unable to provide for themselves and their dependants. The services provided by this department include, but are not limited to, income assistance, child and family services, assisted living and early childhood development.

Economic Development department supports activities related to the growth of the revenue producing projects within the First Nation, land management along with an arm of rights and resource management.

Social Housing department is responsible for the administration and management of Social Housing units.

Other operations include Capital Fund, Ottawa Trust Fund and Enterprise Fund transactions.

The accounting policies used in these segments are consistent with those followed in the preparation of the consolidated financial statements are disclosed in Note 1.

# DOUGLAS INDIAN BAND

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## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS MARCH 31, 2020

### 31. SEGMENTED INFORMATION, continued

	Band Government			Community Infrastructure			Health		
	2020 Budget	2020 Actual	2019 Actual	2020 Budget	2020 Actual	2019 Actual	2020 Budget	2020 Actual	2019 Actual
Revenues	\$	\$	\$	\$	\$	\$	\$	\$	\$
Indigenous Services Canada	242,937	285,127	285,517	191,942	370,260	1,359,457	40,000	40,000	40,000
Canada Mortgage and Housing Corporation	-	-	-	-	5,925	5,000	-	-	-
First Nation Health Authority	-	-	-	-	-	-	32,769	304,574	385,268
Province of BC	-	-	-	-	1,160,180	-	-	30,000	59,175
Economic activities	-	-	-	23,137	4,003	32,884	33,616	50,505	50,505
Other revenue	122,906	597,510	37,305	-	(294,410)	(784,354)	-	108,470	(351,255)
Total revenue	365,843	882,637	322,822	215,079	1,245,958	612,987	106,385	533,549	183,693
Expenses									
Professional fees and subcontract	114,800	157,725	173,639	1,500	6,646	81,723	-	307,862	27,200
Wages and benefits	432,177	400,674	410,992	95,909	87,431	127,224	19,584	12,391	16,101
Repairs and maintenance	9,000	13,218	37,474	76,000	34,770	105,846	600	4,072	19
Training, travel and workshops	102,944	149,605	158,876	6,000	7,415	13,012	35,616	39,402	25,726
Members distribution	140,000	117,334	117,577	-	-	-	-	-	-
Administration fees and office	41,400	49,921	50,104	1,000	1,812	2,433	1,210	30	999
Utilities and telephone	28,803	31,846	38,881	1,800	2,645	2,109	1,200	3,336	1,008
Other expenses	120,820	187,853	163,451	32,870	31,942	23,509	48,175	43,992	58,062
Total expenses	989,944	1,108,176	1,150,994	215,079	172,661	355,856	106,385	411,085	129,115
Annual surplus (deficit)	(624,101)	(225,539)	(828,172)	-	1,073,297	257,131	-	122,464	54,578

# DOUGLAS INDIAN BAND

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS MARCH 31, 2020

### 31. SEGMENTED INFORMATION, continued

	Education		Social Development		Economic Development			2019 Actual
	2020 Budget	2020 Actual	2019 Actual	2020 Budget	2020 Actual	2020 Budget	2020 Actual	
Revenues	\$	\$	\$	\$	\$	\$	\$	\$
Indigenous Services Canada	359,799	665,087	336,635	187,431	230,133	184,109	16,371	79,265
First Nation Health Authority	-	5,000	-	-	-	-	-	-
Province of BC	-	-	-	-	-	-	77,515	77,515
Economic activities	9,584	163,574	28,521	-	-	-	40,000	43,333
Other revenue	-	(191,011)	(22,934)	-	(55,103)	36,072	1,282,242	884,116
Total revenue	369,383	642,650	342,222	187,431	175,030	220,181	1,416,128	1,173,544
Expenses								
Professional fees and subcontract	-	-	-	10,592	-	7,452	49,100	45,668
Wages and benefits	166,716	289,313	105,181	19,584	35,424	26,111	125,234	99,429
Repairs and maintenance	10,000	2,824	-	-	-	-	8,000	12,878
Training, travel and workshops	7,273	30,153	14,497	5,629	7,077	11,247	24,671	9,642
Members distribution	-	-	-	-	-	-	6,000	2,000
Administration fees and office	63,970	3,943	1,178	5,343	1,840	4,671	1,226	-
Utilities and telephone	699	6,408	2,314	898	208	1,440	97,999	140,408
Other expenses	120,725	185,324	118,241	145,385	116,941	133,366	167,553	182,249
Total expenses	369,383	517,965	241,411	187,431	161,490	184,287	479,783	492,274
Annual surplus (deficit)	-	124,685	100,811	-	13,540	35,894	936,345	591,955
								785,258

# DOUGLAS INDIAN BAND

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## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS MARCH 31, 2020

### 31. SEGMENTED INFORMATION, continued

	Housing		Housing Reserves		Business Enterprises Fund				
	2020 Budget	2020 Actual	2019 Actual	2020 Budget	2020 Actual	2019 Actual	2020 Budget	2020 Actual	2019 Actual
	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Revenues</b>									
Indigenous Services Canada	-	65,368	1,592,559	-	-	-	-	-	-
Canada Mortgage and Housing Corporation	146,843	134,810	144,649	-	-	-	-	-	-
Other revenue	1,341,840	1,474,078	(1,420,455)	-	7,908	4,776	-	50,000	50,000
<b>Total revenue</b>	<b>1,488,683</b>	<b>1,674,256</b>	<b>316,753</b>	<b>-</b>	<b>7,908</b>	<b>4,776</b>	<b>-</b>	<b>50,000</b>	<b>50,000</b>
<b>Expenses</b>									
Professional fees and subcontract	1,218,972	16,459	4,200	-	-	-	-	-	-
Repairs and maintenance	53,440	32,813	33,819	-	-	-	-	-	-
Training, travel and workshops	-	4,545	-	-	-	-	-	-	-
Amortization	-	145,289	141,503	-	-	-	-	-	-
Administration fees and office	6,500	-	-	-	-	-	-	-	-
Other expenses	196,926	148,350	125,036	-	-	-	-	50,000	50,000
<b>Total expenses</b>	<b>1,475,838</b>	<b>347,456</b>	<b>304,558</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>50,000</b>	<b>50,000</b>
<b>Annual surplus (deficit)</b>	<b>12,845</b>	<b>1,326,800</b>	<b>12,195</b>	<b>-</b>	<b>7,908</b>	<b>4,776</b>	<b>-</b>	<b>-</b>	<b>-</b>

# DOUGLAS INDIAN BAND

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## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS MARCH 31, 2020

### 31. SEGMENTED INFORMATION, continued

	Ottawa Trust Funds			Internally Restricted Capital Bylaw Fund			Capital Fund		
	2020 Budget	2020 Actual	2019 Actual	2020 Budget	2020 Actual	2019 Actual	2020 Budget	2020 Actual	2019 Actual
Revenues									
Investment	-	-	-	-	99,635	128,392	-	-	-
Other revenue	-	2,415	1,453	-	173,616	197,615	-	-	-
Total revenue	-	2,415	1,453	-	273,251	326,007	-	-	-
Expenses									
Amortization	-	-	-	-	-	-	-	264,647	216,732
Other expenses	-	-	-	-	22,374	21,628	-	-	-
Total expenses	-	-	-	-	22,374	21,628	-	264,647	216,732
Annual surplus (deficit)	-	2,415	1,453	-	250,877	304,379	-	(264,647)	(216,732)

# DOUGLAS INDIAN BAND

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## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS MARCH 31, 2020

### 31. SEGMENTED INFORMATION, continued

	2020 Budget	Consolidated totals	
		2020 Actual	2019 Actual
Revenues		\$	\$
ISC	1,038,480	1,735,240	3,814,648
Canada Mortgage and Housing Corporation	146,843	140,735	149,649
First Nation Health Authority	32,769	309,574	385,268
Province of BC	77,515	1,267,695	136,690
Funding from First Nation Organizations	106,337	261,415	146,910
Net income (loss) from government business enterprises	-	99,635	128,392
Other revenue	2,746,988	2,757,589	(1,207,119)
Total revenue	4,148,932	6,571,883	3,554,438
Expenses			
Professional fees and subcontract	1,394,964	534,360	382,105
Wages and benefits	859,204	924,662	772,453
Repairs and maintenance	157,040	100,575	187,515
Training, travel and workshops	182,133	247,839	229,344
Members distribution	146,000	119,334	117,577
Amortization	-	409,936	358,235
Administration fees and office	120,649	57,546	59,385
Utilities and telephone	131,399	184,851	119,899
Other expenses	832,454	969,025	816,354
Total expenses	3,823,843	3,548,128	3,042,867
Annual surplus (deficit)	325,089	3,023,755	511,571