

**UNION BAR FIRST NATIONS**  
**Consolidated Financial Statements**  
**Year Ended**  
**March 31, 2022**

# **UNION BAR FIRST NATIONS**

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Year ended March 31, 2022

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**UNION BAR FIRST NATIONS**  
**March 31, 2022**  
**Management's Responsibility**

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

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

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

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

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

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

July 31, 2022

y  Chief

# **UNION BAR FIRST NATIONS**

**March 31, 2022**

## **Independent Auditor's Report**

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

I have audited the consolidated financial statements of the Union Bar First Nations, which comprise the statement of financial position as at March 31, 2022, and the statements of operations and accumulated surplus, changes in net financial assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information and schedules..

### **Opinion**

In my opinion the financial statements present fairly in all material respects the consolidated financial position of the Union Bar First Nations as of March 31, 2022, and the results of its operations, changes in net financial assets and cash flows for the year then ended in accordance with Canadian public sector accounting standards.

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

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

In preparing the financial statements, management is responsible for assessing the First Nations ability to continue as a going concern and using the going concern basis of accounting unless management either intends to liquidate the First Nations or to cease operations or has no realistic alternative to do so.

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

### **Auditors Responsibility**

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion.

Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is



sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, I am required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.

#### **Prior Period Adjustment**

Indigenous Services Canada (ISC) has determined that there is a carryforward of unexpended ISC funding from 2018-year end. The 2021 financial statements have been adjusted to show a deferred balance of \$40,000 of deferred revenue. The 2021 accumulated surplus has been reduced by \$40,000. This adjustment does not affect the revenue in either 2021 or the current year 2022

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



**Joseph W Martin, CPA**

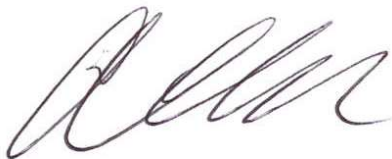
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**July 31, 2022**

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

**Union Bar First Nations**  
**Consolidated Statement of Financial Position**  
**March 31, 2022**

	2022	2021
<b>Financial assets</b>		
Cash -current	\$700,154	\$1,592,000
Investments	2,729,992	3,400,000
Loan receivable	114,784	
Funds held in trust by Crown (Schedule 6)	139,357	139,595
Term deposits held for Minor Children	393,432	522,648
Accounts receivable	<u>62,017</u>	<u>18</u>
	\$4,139,736	5,654,261
<b>Liabilities</b>		
Accounts payable and accruals	170,989	82,724
Security deposits	18,100	18,100
Government remittances payable	48,063	33,768
Government temporary loan (Note 3(i))	126,100	126,100
Funds Held in trust Minors	393,432	522,648
Deferred revenue (Note 8 )	<u>102,000</u>	<u>40,000</u>
	858,684	823,340
<b>Net Financial Assets</b>	3,281,052	4,830,921
<b>Non-financial assets</b>		
Tangible capital assets (Note 2-b)	18,556,453	17,386,115
Prepaid expenses-current	<u>----</u>	<u>----</u>
	18,556,453	17,386,115
<b>Accumulated surplus (Schedule 5))</b>	<u>\$21,837,505</u>	<u>\$22,217,036</u>



# Union Bar First Nations

## Consolidated Statement of Operations and Accumulated Surplus

March 31, 2022

	Budget 2022	2022	2021
<b>Revenue</b>			
Indigenous Services Canada (See Note 3)	\$450,000	\$484,638	\$340,423
Interest Income	120,000	163,432	117,329
Ottawa Trust Interest and royalties (Schedule 8)	2,000	2,961	1,926
BCFN Gaming (Note 4)	150,000	161,857	548,960
Forestry income- timber rights	120,000	121,893	116,549
Real Estate Group Limited Partnerships (Shed 3)	900,000	964,289	649,527
Real Estate Group General Partners (Schedule 4)	50	31	396
Trans Mountain	5,000	5,000	20,000
Fraser Health	----	<u>45,000</u>	----
	1,747,050	1,949,101	1,795,110
<b>EXPENSES:</b>			
ISC Expenses	450,000	484,638	340,423
General Administration (Schedule 1)	800,000	1,186,013	3,747,934
Real Estate Group Limited Partnerships (Shed-3)	600,000	652,779	424,064
Real Estate Group General Partners (Schedule 4)	<u>6,000</u>	<u>5,202</u>	<u>5,950</u>
	1,856,000	2,328,632	4,518,371
<b>Surplus (deficit)</b>	(108,950)	(379,531)	(2,723,261)
<b>Accumulated surplus, beginning of year</b>	<u>21,837,505</u>	<u>22,217,036</u>	<u>24,940,297</u>
<b>Accumulated surplus, end of year</b>	<u>\$21,728,555</u>	<u>\$21,837,505</u>	<u>\$22,217,036</u>

# Union Bar First Nations

Schedule of General Administrative Expenses  
Year Ending March 31, 2022

	2022	2021
<b>Expenses</b>		
Amortization	125,484	81,571
Bank charges and interest	5,637	2,935
Christmas distributions	14,000	----
Family Assistance	----	----
Insurance	9,013	10,974
Investment fees	28,747	14,548
Member distributions	147,108	3,135,888
Office supplies	46,704	28,974
Professional development	12,274	----
Professional fees	243,609	99,561
Repairs and maintenance	277,385	7,500
Salaries and benefits	691,333	300,183
Student expenses	3,200	----
Travel	25,698	23,437
Utilities	40,459	31,474
Web Page Development	----	<u>10,889</u>
	<u>1,670,651</u>	<u>3,747,934</u>



## Union Bar First Nations

### Consolidated Statement of Change in Net Financial Assets

March 31, 2022

	2022	2021
<b>Annual Surplus (deficit)</b>	\$(379,531)	\$(2,723,261)
Purchases of tangible capital assets	(1,494,655)	(15,322,743)
Amortization	324,317	271,675
Prepaid expenses	----	20,145
Proceeds of disposal of tangible capital assets	----	----
Loss (gain) on sale of tangible capital assets	----	----
Increase (decrease) in net financial assets	(1,549,869)	(17,754,184)
Net financial assets, beginning of year	4,830,921	22,585,105
Net financial assets, end of year	<u>\$3,281,052</u>	<u>\$4,830,921</u>

## Union Bar First Nations

Consolidated Statement of Cash Flows  
For the Year Ended March 31, 2022

	2022	2021
<b>Annual operating surplus (deficit)</b>	<b>\$(379,531)</b>	<b>\$(2,723,261)</b>
<b>Financial Statement Items Not Involving Cash</b>		
Amortization	324,317	271,675
Net Change in Non-Cash Working Capital Balances:		
Accounts receivable	(61,999)	12,893
Prepaid	----	20,145
Accounts payable	88,265	76,985
Security deposit	----	18,100
Government remittances payable	14,295	(2,329)
Funds withheld minors	(129,216)	522,648
Deferred revenue	62,000	(264,790)
Government loan	----	126,100
Cash Flows from (Used) In Operating Activities	(81,869)	(1,941,834)
Cash flows from Investing Activities:		
Loan receivable	(114,784)	----
Purchase of tangible Assets	(1,494,655)	(15,322,743)
	(1,609,439)	(15,322,743)
<b>Increase (Decrease) In Cash for The Period</b>	<b>(1,691,308)</b>	<b>(17,264,577)</b>
<b>Cash and Equivalents, Beginning of the Year</b>	<b><u>5,654,243</u></b>	<b><u>22,918,820</u></b>
<b>Cash and Equivalents, End of the Year</b>	<b><u>\$3,962,935</u></b>	<b><u>\$5,654,243</u></b>
<b>Consisting of</b>		
Cash	\$700,154	\$1,592,000
Term deposits	2,729,992	3,400,000
Term deposits held in trust for minors	393,432	522,648
Funds held in trust	139,357	139,595
	<u>\$3,962,935</u>	<u>\$5,654,243</u>
<b>Supplementary information</b>		
<b>Interest earned and dividends</b>	<b><u>\$166,393</u></b>	<b><u>\$119,255</u></b>

**Union Bar Real Estate Group**  
**Schedule 3- Combined Segmented Information**  
*For the Year Ended March 31, 2022*

	Lake of the Woods Property LP	Texas Lake Property LP	Tree Lane LP	Union Bar Place LP	Combined Total
	2022	2022	2022	2022	2022
Income	65	-	358,532	605,692	964,289
<b>Expenses</b>					
Amortization	26,150	16,509	46,149	108,858	197,666
Insurance	10,411	1,350	18,955	25,284	56,000
Other expenses	22,674	7,908	6,920	8,167	45,669
Property tax	9,872	5,659	74,272	112,740	202,543
Repairs and maintenance	14,461	48,514	4,071	21,708	88,754
Utilities	26,501	7,154	20,502	7,990	62,147
	110,069	87,094	170,869	284,747	652,779
<b>Surplus (deficit)</b>	(110,004)	(87,094)	187,663	320,945	311,510
<b>Accumulated surplus</b>					
Beginning of the year	(78,495)	(27,678)	154,328	177,708	225,863
Accumulated surplus (deficit), end of year	(188,499)	(114,772)	341,991	498,653	537,373

**Union Bar General Partnership's**  
**Schedule 4 - Combined Segmented Income and Expenses**  
*For the Year Ended March 31, 2022*

	2022	2022	2022	2022	2022	2022	2022
	1200512 B.C. Ltd	12040517 B.C. Ltd	1216749 B.C. Ltd	UBFN Development Corporation	UBFN Land Corporation	Totals	
Income	32	19	-11	---	-9	31	
Expenses							
Amortization	---	---	1,167	---	---	1,167	
Interest and bank charges	---	---	---	---	---	---	
Office	---	---	---	---	---	---	
Professional fees	840	595	840	880	880	4,035	
	840	595	2,007	880	880	5,202	
Net Income (loss)	(808)	(576)	(2,018)	(880)	(889)	(5,171)	

# **Union Bar First Nations**

Notes to Consolidated Financial Statements  
Year Ending March 31, 2022

## **1. Operations**

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

## **2. Significant accounting policies**

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

### **Basis of presentation**

Sources of financing and expenditures are recorded on the accrual basis of accounting. The accrual basis of accounting recognizes revenues as they become available and measurable; expenditures are recognized as they are incurred and measurable as a result of the receipt of goods or services and the creation of a legal obligation to pay.

The consolidated financial statements reflect activities of Union Bar First Nations and its wholly owned subsidiaries and its partnerships

### **(a) Consolidated entities:**

The consolidated financial statements reflect the assets, liabilities, revenues, and expenses of Union Bar First Nations and organizations that are controlled by Union Bar First Nations. Controlled organizations are consolidated. All inter-fund and inter-organization transactions and balances have been eliminated upon consolidation.



## Union Bar First Nations

Notes to Consolidated Financial Statements  
Year Ending March 31, 2022

The following organizations are other government organizations (OGO's) controlled by Union bar First Nations and are fully consolidated in these financial statements

Lake of the Woods Limited Partnership  
Texas Lake Property Limited Partnership  
Tree Lane Limited Partnership  
Union bar Place Limited Partnership  
1240517 B.C. ltd (GP of Tree Lane Limited Partnership)  
1240512 B.C. Ltd. (GP of Union Bar Place Limited Partnership)  
1216749 B.C. Ltd (GP of Lake of the Woods Limited Partnership)  
UBFN Land Corp. (GP of Texas Lake Property Limited Partnership)  
Union Bar First Nation Development Corporation

### (b) Tangible capital assets

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

	<b>Rate</b>
Automotive equipment	5 years
Building and bridge-other	20 years
Building Real Estate Group	40 years
Computer equipment	2 years
Tools and office equipment	3 years
Contracting equipment	5 years
Signs	5 years
Paving	10 years
Sawmill	10 years

## Union Bar First Nations

Notes to Consolidated Financial Statements  
Year Ending March 31, 2022

### Tangible Capital Assets

	2022		2021	
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Automotive	\$17,658	\$13,558	\$4,100	\$5,071
Buildings	10,653,479	430,864	10,222,615	7,527,910
Bridges	7,200	5,613	1,587	1,670
Contracting Equipment	827,462	425,242	402,220	199,985
Computers	18,659	11,385	7,274	5,842
Office equipment	47,610	37,183	10,427	----
Land	7,906,653	----	7,906,653	9,643,823
Paving	3,160	2,921	239	266
Signs	17,929	17,486	443	554
Sawmill	18,650	17,755	895	994
	<u>\$19,518,460</u>	<u>\$962,007</u>	<u>\$18,556,453</u>	<u>\$17,386,115</u>

### © Funds held in Ottawa Trust Fund

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

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

### (d) Accumulated surplus consists of the following:

	2022	2021
Equity in Ottawa Trust Funds	\$139,357	\$139,595
Surplus	<u>21,698,148</u>	<u>22,117,441</u>
	<u>\$21,837,505</u>	<u>\$22,257,036</u>

## **Union Bar First Nations**

Notes to the Financial Statements  
Year Ending March 31, 2022

### **(e) Revenue recognition**

#### **Funding**

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

#### **Other revenues**

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

Rental Income is recorded when received or receivable if the amount can be reasonably estimated and collection is reasonably assured. At the end of each year, management evaluates whether rental revenue is collectible, and records as bad debt and allowance for doubtful accounts for those amounts designated as unlikely to be collected.

Interest and investment income are recorded in the period when it is earned.

ISC Grants, ISC income and gaming income are recorded in the period the expenses associated with the grant are incurred.

### **(f) Measurement uncertainty**

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenditures during the reporting period.

### **(g) Financial Instruments**

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

Financial Instruments are recorded at cost. The Nation has elected not to record any financial instruments at fair value.

## **Union Bar First Nations**

Notes Consolidated to the Financial Statements  
Year Ending March 31, 2022

Management has determined that the Nation is not exposed to any credit, interest rate, currency or solvency risk arising from these financial instruments

### **(h) Liability for Contaminated Sites**

Contaminated sites are the result of contamination being introduced into air, soil, water or sediment that exceeds any environmental standard.

Liability exists when all the following criteria are met:

- i) an environmental standard exists
- ii) Contamination exceeds the environmental standard
- iii) The Nation is directly responsible or accepts responsibility: and
- iv) A reasonable estimate of the amount can be made

Management has determined that no such liability exists on March 31, 2022

### **(i) Long Term Debt**

During the year the government of Canada advanced the Nation \$126,100 to fund a land settlement dispute Specific Claim against Canadian Pacific Railway. The loan is without interest and is secured by a promissory note. Loan is due March 31, 2025 and is without interest accruing. The loan may be paid in full at any time prior to maturity date.



# Union Bar First Nations

Notes Consolidated to the Financial Statements  
Year Ending March 31, 2022

## Reconciliation of ISC Revenue

Reconciliation of ISC Revenue from Statement of Operations to Funds Reported on 2021-2022  
Funding Confirmation

March 31, 2022

	Financial Statement	Beginning deferred revenue	Ending deferred revenue	ISC
<b>FIXED FUNDING</b>				
Admin and supply	5,000	----	----	5,000
Community based initiative	----	----	40,000	40,000
Community initiative retroactive	47,350	----	----	47,350
ICFS needs based off-res	12,970	----	----	12,970
Water systems	6,466	----	----	6,466
Water systems top up	25,000	----	----	25,000
Roads and bridges	21,988	----	----	21,988
Municipal services	7,294	----	----	7,294
Training fire protection	240	----	----	240
CED non-block core	15,000	----	----	15,000
Covid-19 LEDSP	67,000	----	----	67,000
Service agreements	<u>1,160</u>	<u>----</u>	<u>----</u>	<u>1,160</u>
	<b>209,468</b>	<b>----</b>	<b>40,000</b>	<b>249,468</b>
<b>FLEXIBLE FUNDING</b>				
MJR renos and extensions	20,000	----	----	20,000
Special services road top up	35,515	----	----	35,515
Admin other infrastructure	25,000	----	----	25,000
ICSF direct all EMAP	52,434	----	----	52,434
ICFS needs based EMAP	----	----	62,000	62,000
Community based initiative	<u>40,000</u>	<u>(40,000)</u>	<u>----</u>	<u>----</u>
	<b>172,949</b>	<b>(40,000)</b>	<b>62,000</b>	<b>194,949</b>
<b>GRANTS</b>	<b><u>102,221</u></b>	<b><u>----</u></b>	<b><u>----</u></b>	<b><u>102,221</u></b>
<b>TOTALS</b>	<b><u>\$484,638</u></b>	<b><u>\$ (40,000)</u></b>	<b><u>\$102,000</u></b>	<b><u>\$546,638</u></b>



## Union Bar First Nations

Schedule 2 – Statement of Consolidated Expenses by Object  
For the Year Ended March 31, 2022

	2022	2021
Accounting/Legal	282,457	\$154,031
Advertising	----	11,182
Amortization and building write off	324,317	271,675
Bank Charges and Interest	5,637	17,647
Christmas Distributions	14,000	----
Insurance	65,013	55,866
Family Assistance	----	----
Investor Fees	28,747	----
Office Expenses	55,831	40,279
Repairs and Maintenance	366,139	76,900
Salaries and Benefits	691,333	555,004
Student Expenses	3,200	----
Telephone and Utilities	104,336	73,714
Travel	25,697	23,436
Professional Development	12,274	----
Property taxes	202,543	102,749
Member disbursements	<u>147,108</u>	<u>3,135,888</u>
<u>Totals:</u>	<u>2,328,632</u>	<u>\$4,518,371</u>