

**UNION BAR FIRST NATIONS**  
**Consolidated Financial Statements**  
**Year Ended**  
**March 31, 2023**

# UNION BAR FIRST NATIONS

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Year ended March 31, 2023

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## **UNION BAR FIRST NATIONS**

**March 31, 2023**

### **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, 2023

Chief



# **UNION BAR FIRST NATIONS**

**March 31, 2023**

## **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, 2023, 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, 2023, 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.

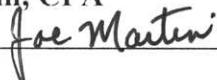
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.
- Evaluate the appropriateness of accounting policies 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.

#### **Contingent Liability**

The Nation is responding to litigation commenced by or on behalf of 16 individuals that are claiming that they are members of Union bar First Nations and that they are entitled to a share of the benefits from Kinder Morgan (Transmountain) and Seabird Island Specific Claim Settlements, Union Bar First Nation is defending the claim on the basis that the Respondents are not or ever were members of Union Bar First Nation. The outcome of the litigation is unknown and any amount that the claimants might ultimately receive is unable to be estimated. No provision in the current financial statements has been made for any potential settlement of the litigation

**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, 2023**

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

**Union Bar First Nations**  
**Consolidated Statement of Financial Position**  
**March 31, 2023**

|   | 2023                | 2022                |
|---|---------------------|---------------------|
| <b>Financial assets</b>                 |                     |                     |
| Cash -current                           | \$1,052,631         | \$700,154           |
| Investments                             | 717,524             | 2,729,992           |
| Loan receivable                         | ---                 | 114,784             |
| Funds held in trust by Crown (Note 2-c) | 143,986             | 139,357             |
| Term deposits held for Minor Children   | 262,867             | 393,432             |
| Accounts receivable                     | <u>48,603</u>       | <u>62,017</u>       |
|   | 2,225,611           | 4,139,736           |
| <b>Liabilities</b>                      |                     |                     |
| Accounts payable and accruals           | 95,865              | 170,989             |
| Security deposits                       | 18,100              | 18,100              |
| Government remittances payable          | 75,065              | 48,063              |
| Government temporary loan (note 2-h)    | 126,100             | 126,100             |
| Funds Held in trust Minors              | 262,867             | 393,432             |
| Deferred revenue                        | ---                 | 102,000             |
|   | 577,997             | 858,684             |
| <b>Net Financial Assets</b>             | 1,647,614           | 3,281,052           |
| <b>Non-financial assets</b>             |                     |                     |
| Tangible capital assets (Note 2-b)      | 19,032,204          | 18,556,453          |
| Prepaid expenses-current                | <u>510,892</u>      | ---                 |
|   | 19,543,096          | 18,556,453          |
| <b>Accumulated surplus</b>              | <u>\$21,190,710</u> | <u>\$21,837,505</u> |



Approved Chief

# Union Bar First Nations

## Consolidated Statement of Operations and Accumulated Surplus March 31, 2023

|   | Budget<br>2024      | 2023                | 2022                |
|---|---------------------|---------------------|---------------------|
| <b>Revenue</b>                                |                     |                     |                     |
| Indigenous Services Canada                    | \$450,000           | \$454,042           | \$484,638           |
| Interest Income                               | 120,000             | 19,524              | 163,432             |
| Ottawa Trust Interest and royalties           | 2,000               | 4,629               | 2,961               |
| BCFN Gaming                                   | 150,000             | 381,235             | 161,857             |
| Forestry income- timber rights                | 120,000             | 146,773             | 121,893             |
| Real Estate Group Limited Partnerships        | 900,000             | 932,478             | 964,289             |
| Real Estate Group General Partners            | 50                  | 23                  | 31                  |
| Trans Mountain                                | 5,000               | ----                | 5,000               |
| Rental Income UBFN                            |                     | 8,000               | ----                |
| Health Authority                              | ----                | 60,000              | 45,000              |
|   | 1,747,050           | 2,006,704           | 1,949,101           |
| <b>Expenses</b>                               |                     |                     |                     |
| ISC Expenses Administration                   | 450,000             | 454,042             | 484,638             |
| General Administration                        | 800,000             | 1,492,999           | 1,186,013           |
| Real Estate Group Limited Partnerships        | 600,000             | 700,791             | 652,779             |
| Real Estate Group General Partners            | 6,000               | 5,667               | 5,202               |
|   | 1,856,000           | 2,653,499           | 2,328,632           |
| <b>Surplus (deficit)</b>                      | (108,950)           | (646,795)           | (379,531)           |
| <b>Accumulated surplus, beginning of year</b> | <u>21,190,710</u>   | 21,837,505          | 22,217,036          |
| <b>Accumulated surplus, end of year</b>       | <u>\$21,081,760</u> | <u>\$21,190,710</u> | <u>\$21,837,505</u> |

# Union Bar First Nations

Schedule of General Administrative Expenses  
Year Ending March 31, 2023

|                                     | 2023             | 2022             |
|-------------------------------------|------------------|------------------|
| <b>Expenses</b>                     |                  |                  |
| Amortization                        | 139,397          | 125,484          |
| Bank charges and interest           | 3,271            | 5,637            |
| Christmas distributions             | 17,750           | 14,000           |
| Family Assistance                   | 5,519            | ----             |
| Insurance                           | 9,379            | 9,013            |
| Investment fees                     | 9,621            | 28,747           |
| Member distributions                | 35,500           | 147,108          |
| Office supplies                     | 54,926           | 46,704           |
| Professional development            | 10,605           | 12,274           |
| Professional fees                   | 133,350          | 243,609          |
| Repairs and maintenance             | 459,907          | 277,385          |
| Salaries and benefits               | 865,258          | 691,333          |
| Student expenses                    | 2,700            | 3,200            |
| Travel                              | 54,294           | 25,698           |
| Utilities                           | 55,973           | 40,459           |
| Loss disposal investments           | 89,591           | ----             |
|                                     | <u>1,947,041</u> | <u>1,670,651</u> |
| <b>Allocated as:</b>                |                  |                  |
| ISC Expenses                        | 454,042          | 484,638          |
| General and Administration expenses | 1,492,999        | 1,186,013        |
|                                     | <u>1,947,041</u> | <u>1,670,651</u> |

## Union Bar First Nations

Consolidated Statement of Change in Net Financial Assets  
March 31, 2023

|   | 2023               | 2022               |
|---|--------------------|--------------------|
| <b>Annual Surplus (deficit)</b>                 | <b>\$(646,795)</b> | <b>\$(379,531)</b> |
| Purchases of tangible capital assets            | (819,026)          | (1,494,655)        |
| Amortization                                    | 343,275            | 324,317            |
| Prepaid expenses                                | (510,892)          | ----               |
| Proceeds of disposal of tangible capital assets | ----               | ----               |
| Loss (gain) on sale of tangible capital assets  | ----               | ----               |
|   |                    |                    |
| Increase (decrease) in net financial assets     | (1,633,438)        | (1,549,869)        |
|   |                    |                    |
| Net financial assets, beginning of year         | 3,281,052          | 4,830,921          |
|   |                    |                    |
| Net financial assets, end of year               | <u>\$1,647,614</u> | <u>\$3,281,052</u> |

## Union Bar First Nations

Consolidated Statement of Cash Flows  
For the Year Ended March 31, 2023

|   | 2023                      | 2022                      |
|---|---------------------------|---------------------------|
| <b>Annual operating surplus (deficit)</b>           | \$(646,795)               | \$(379,531)               |
| <b>Financial Statement Items Not Involving Cash</b> |                           |                           |
| Amortization  | 343,275                   | 324,317                   |
| Net Change in Non-Cash Working Capital Balances:    |                           |                           |
| Accounts receivable                                 | 13,414                    | (61,999)                  |
| Prepaid   | (510,892)                 | ----                      |
| Accounts payable                                    | (44,080)                  | 88,265                    |
| Security deposit                                    | ----                      | ----                      |
| Government remittances payable                      | (4,042)                   | 14,295                    |
| Funds withheld minors                               | (130,565)                 | (129,216)                 |
| Deferred revenue                                    | (102,000)                 | 62,000                    |
| Government loan                                     | ----                      | ----                      |
| Cash Flows from (Used) In Operating Activities      | <u>(1,081,685)</u>        | <u>(81,869)</u>           |
| Cash flows from Investing Activities:               |                           |                           |
| Loan receivable                                     | 114,784                   | (114,784)                 |
| Purchase of tangible Assets                         | (819,026)                 | (1,494,655)               |
|   | (704,242)                 | (1,609,439)               |
| <b>Increase (Decrease) In Cash for The Period</b>   | <u>(1,785,927)</u>        | <u>(1,691,308)</u>        |
| <b>Cash and Equivalents, Beginning of the Year</b>  | <u>3,962,935</u>          | <u>5,654,243</u>          |
| <b>Cash and Equivalents, End of the Year</b>        | <u><u>\$2,177,008</u></u> | <u><u>\$3,962,935</u></u> |
| Cash  | \$1,052,631               | \$700,154                 |
| Term deposits                                       | 717,524                   | 2,729,992                 |
| Term deposits held in trust for minors              | 262,867                   | 393,432                   |
| Funds held in trust                                 | 143,986                   | 139,357                   |
|   | <u>\$2,177,008</u>        | <u>\$3,962,935</u>        |

### Supplementary information

Union Bar Real Estate Group  
 Combined Segmented Information  
 Year Ended March 31, 2023

|                                     | Totals            |                |                |               |                |                |                |                |
|-------------------------------------|-------------------|----------------|----------------|---------------|----------------|----------------|----------------|----------------|
|                                     | Lake of the Woods |                |                |               | Texas Lake     |                |                |                |
|                                     | LP                |                | LP             |               | LP             |                | LP             |                |
|                                     | 2023              | 2022           | 2023           | 2022          | 2023           | 2022           | 2023           | 2022           |
| <b>Revenue</b>                      |                   |                |                |               |                |                |                |                |
| Rental Income                       | ---               | ---            | ---            | ---           | 380,282        | 358,401        | 549,753        | 471,895        |
| Tenant Reimbursement                | ---               | ---            | ---            | ---           | ---            | ---            | ---            | 133,635        |
| Interest Income                     | 75                | 65             | ---            | ---           | 1,100          | 131            | 1,268          | 162            |
| <b>Expenses</b>                     |                   |                |                |               | 381,382        | 358,532        | 551,021        | 605,692        |
| Amortization                        | 29,370            | 26,150         | 18,334         | 16,509        | 46,149         | 46,149         | 108,858        | 108,858        |
| Insurance                           | 9,379             | 10,411         | 4,690          | 1,350         | 23,207         | 18,955         | 28,827         | 25,284         |
| Other expenses                      | 10,217            | 22,673         | 6,783          | 7,908         | 7,941          | 6,920          | 7,382          | 8,168          |
| Property tax                        | 12,740            | 9,872          | 10,816         | 5,659         | 73,588         | 74,272         | 99,708         | 112,740        |
| Repairs and maintenance             | 5,194             | 14,461         | 64,039         | 48,514        | 2,509          | 4,071          | 75,523         | 21,708         |
| Utilities                           | 23,301            | 26,501         | 10,113         | 7,154         | 14,151         | 20,502         | 7,972          | 7,990          |
|                                     | <u>90,201</u>     | <u>110,068</u> | <u>114,775</u> | <u>87,094</u> | <u>167,545</u> | <u>170,869</u> | <u>328,270</u> | <u>284,748</u> |
| Annual surplus (deficit)            | (90,126)          | (110,003)      | (114,775)      | (87,094)      | 213,837        | 187,663        | 222,751        | 320,944        |
| Surplus (deficit) beginning of year | (188,499)         | (78,495)       | (114,772)      | (27,678)      | 341,991        | 154,328        | 498,653        | 177,708        |
| Surplus(deficit) end of             | (278,625)         | (188,498)      | (229,547)      | (114,772)     | <u>555,828</u> | <u>341,991</u> | <u>721,404</u> | <u>498,652</u> |
|                                     |                   |                |                |               |                |                |                |                |

**Union Bar Real Estate Group- General Partnerships**  
**Combined Segmented Information**  
**Year Ended March 31, 2023**

|                            | 1200512 B.C<br>Ltd | 12040517 B.C<br>Ltd | 1216749 BC<br>Ltd | UBFN<br>Development | UBFN Land      | Total          | Total           |
|----------------------------|--------------------|---------------------|-------------------|---------------------|----------------|----------------|-----------------|
|                            | 2023               | 2022                | 2023              | 2022                | 2023           | 2022           | 2023            |
| Revenue                    | 22                 | 32                  | 21                | 19                  | -9             | -11            | -9              |
| Expenses                   |                    |                     |                   |                     |                | -11            | 23              |
| Amortization               | ---                | ---                 | ---               | 1,167               | 1,167          | ---            | ---             |
| Bank charges               | ---                | ---                 | ---               | ---                 | ---            | ---            | ---             |
| Office Professional fees   | 900                | 840                 | 900               | 595                 | 900            | 840            | 900             |
|                            | 900                | 840                 | 900               | 595                 | 2,067          | 2,007          | 900             |
| Surplus (deficit)          | (878)              | (808)               | (879)             | (576)               | (2,076)        | (2,018)        | (900)           |
| Surplus (deficit) Bgn year | (1,721)            | (913)               | (1,391)           | (815)               | (4,240)        | (2,018)        | (1,680)         |
| Deficit end                | <u>(2,599)</u>     | <u>(1,721)</u>      | <u>(2,270)</u>    | <u>(1,391)</u>      | <u>(6,316)</u> | <u>(4,240)</u> | <u>(2,580)</u>  |
|                            |                    |                     |                   |                     |                | (1,680)        | <u>(2,603)</u>  |
|                            |                    |                     |                   |                     |                |                | <u>(1,692)</u>  |
|                            |                    |                     |                   |                     |                |                | <u>(16,368)</u> |
|                            |                    |                     |                   |                     |                |                | <u>(10,724)</u> |
|                            |                    |                     |                   |                     |                |                | <u>(5,553)</u>  |

## Union Bar First Nations

### Reconciliation of ISC Revenue

Year Ending March 31, 2023

|                                  | Financial Statement | Beginning deferred revenue | Ending deferred revenue | ISC              |
|----------------------------------|---------------------|----------------------------|-------------------------|------------------|
| <b>FIXED FUNDING</b>             |                     |                            |                         |                  |
| Admin and supplies               | 5,100               | ----                       | ----                    | 5,100            |
| Community based initiative       | 40,000              | 40,000                     | ----                    | ----             |
| Community initiative retroactive | 25,000              | ----                       | ----                    | 25,000           |
| ICFS needs based off-res         | 4,105               | ----                       | ----                    | 4,105            |
| Water systems                    | 10,603              | ----                       | ----                    | 10,603           |
| Water systems top up             | 20,863              | ----                       | ----                    | 20,683           |
| Water Systems                    | 2,000               | ----                       | ----                    | 2,000            |
| Roads and bridges                | 22,041              | ----                       | ----                    | 22,041           |
| Municipal services               | 1,225               | ----                       | ----                    | 1,225            |
| Training fire protection         | 240                 | ----                       | ----                    | 240              |
| Service Agreement                | 8,811               | ----                       | ----                    | 8,811            |
| Non-Blockcore LEDSP              | 15,000              | ----                       | ----                    | 15,000           |
|                                  | <b>154,988</b>      | <b>40,000</b>              | ----                    | <b>114,988</b>   |
| <b>FLEXIBLE FUNDING</b>          |                     |                            |                         |                  |
| Homecare                         | 1,065               | ----                       | ----                    | 1,065            |
| Representative Service Agreement | 2,547               | ----                       | ----                    | 2,547            |
| Community based initiative       | 40,000              | ----                       | ----                    | 40,000           |
| Major Reno                       | 20,000              | ----                       | ----                    | 20,000           |
| ICFS needs based EMAP            | 88,217              | <b>62,000</b>              | ---                     | 88,217           |
| Project Admin                    | 45,000              | ----                       | ----                    | 45,000           |
|                                  | <b>196,819</b>      | <b>102,000</b>             | ----                    | <b>134,829</b>   |
| <b>GRANTS</b>                    | <b>102,225</b>      | ----                       | ----                    | <b>102,225</b>   |
| <b>TOTALS</b>                    | <b>\$454,042</b>    | <b>\$102,000</b>           | ----                    | <b>\$352,042</b> |

**Union Bar First Nations**  
**Statement of Consolidated Expenses by Object**  
For the Year Ended March 31, 2023

|                                     | <b>2023</b> | <b>2022</b> |
|-------------------------------------|-------------|-------------|
| Accounting/Legal                    | 165,463     | 282,457     |
| Advertising                         | ----        | ----        |
| Amortization and building write off | 343,275     | 324,317     |
| Bank Charges and Interest           | 3,271       | 5,637       |
| Christmas Distributions             | 17,750      | 14,000      |
| Insurance                           | 75,482      | 65,013      |
| Family Assistance                   | 5,519       | ----        |
| Investor Fees                       | 9,621       | 28,747      |
| Office Expenses                     | 59,636      | 55,831      |
| Repairs and Maintenance             | 607,172     | 366,139     |
| Salaries and Benefits               | 865,258     | 691,333     |
| Student Expenses                    | 2,700       | 3,200       |
| Telephone and Utilities             | 111,509     | 104,336     |
| Travel                              | 54,294      | 25,697      |
| Professional Development            | 10,605      | 12,274      |
| Property taxes                      | 196,853     | 202,543     |
| Member disbursements                | 35,500      | 147,108     |
| Loss disposal investments           | 89,591      | ----        |
| Totals:                             | 2,653,499   | 2,328,632   |

# **Union Bar First Nations**

Notes to Consolidated Financial Statements  
Year Ending March 31, 2023

## **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, 2023

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, 2023

### Capital Asset Schedule Consolidated

|                          | Begin Cost<br>2022 | Additions<br>2023 | Disposals<br>2023 | Ending Cost<br>2023 | Beginning Acc amort<br>2022 | Amortization<br>2023 | Ending Acc amort<br>2023 | Net Book Value<br>2023 | Net Book Value<br>2022 |
|--------------------------|--------------------|-------------------|-------------------|---------------------|-----------------------------|----------------------|--------------------------|------------------------|------------------------|
| Automotive               | 17,658             | ---               | ---               | 17,658              | 13,558                      | 820                  | 14,378                   | 3,280                  | 4,100                  |
| Buildings                | 7,906,653          | 190,773           | ---               | 8,097,426           | 430,864                     | 211,553              | 642,417                  | 7,455,009              | 7,475,789              |
| Bridge                   | 7,200              | ---               | ---               | 7,200               | 5,613                       | 79                   | 5,692                    | 1,508                  | 1,587                  |
| Equipment                | 827,462            | 19,116            | ---               | 846,578             | 425,242                     | 90,329               | 515,571                  | 331,007                | 402,220                |
| Computers                | 18,659             | ---               | ---               | 18,659              | 11,385                      | 3,637                | 15,022                   | 3,637                  | 7,274                  |
| Housing & Infrastructure | ---                | 489,919           | ---               | 489,919             | ---                         | 24,496               | 24,496                   | 465,423                | ---                    |
| Office                   | 47,610             | 30,132            | ---               | 77,742              | 37,183                      | 12,159               | 49,342                   | 28,400                 | 10,427                 |
| Land                     | 10,653,479         | 89,086            | ---               | 10,742,565          | ---                         | ---                  | ---                      | 10,742,565             | 10,653,479             |
| Paving                   | 3,160              | ---               | ---               | 3,160               | 2,921                       | 24                   | 2,945                    | 215                    | 239                    |
| Signs                    | 17,929             | ---               | ---               | 17,929              | 17,486                      | 89                   | 17,575                   | 354                    | 443                    |
| Sawmill                  | <u>18,650</u>      | ---               | ---               | <u>18,650</u>       | <u>17,755</u>               | <u>89</u>            | <u>17,844</u>            | <u>806</u>             | <u>895</u>             |
|                          | 19,518,460         | 819,026           | ---               | 20,337,486          | 962,007                     | 343,275              | 1,305,282                | 19,032,204             | 18,556,453             |

## **Union Bar First Nations**

Notes to Consolidated Financial Statements  
Year Ending March 31, 2023

### **(c) 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.

**Accumulated surplus consists of the following:**

|                              | <b>2023</b>        | <b>2022</b>         |
|------------------------------|--------------------|---------------------|
| Equity in Ottawa Trust Funds | \$143,986          | \$139,357           |
| Surplus                      | 21,046,724         | 21,698,148          |
|                              | <u>\$2,190,710</u> | <u>\$21,837,505</u> |

### **(d) 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.

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

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

## **Union Bar First Nations**

Notes Consolidated to the Financial Statements  
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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.

### **(f) Financial Instruments**

The Band's financial instruments consist of cash, term deposits, and accounts payable. It is management's position that the Nation 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.

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

### **(g) 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, 2023

### **(h) 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 to Consolidated Financial Statements  
Year Ending March 31, 2023

### **(i) Net financial assets (net debt)**

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

### **(j) Segments**

The Nation conducts its operations through various segments of real estate properties. These operating segments are established by management to facilitate the achievement of the Nations long-term objectives, to aid in resource allocation decisions, and to assess operational performance.

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.

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

### **(k) Long-lived assets and discontinued operations**

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

The Nation performs impairment testing on long-lived assets held for use whenever events or changes in circumstances indicate that the carrying amount of an asset, or any group of assets may not be recoverable. The carrying amount of long-lived assets is not recoverable if the carrying amount exceeds the sum of the undiscounted cash flow from its use and disposal impairment. Impairment is measured as the amount by which the assets carrying amount exceeds its fair value. Fair value is measured using prices for similar items. Any impairment is included in surplus (deficit) for the year