

Consolidated Financial Statements of

# **BURNS LAKE BAND**

And Independent Auditors' Report thereon

Year ended March 31, 2020

# BURNS LAKE BAND

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TS'IL KAZ KOH

## MANAGEMENT'S RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The accompanying consolidated financial statements of Burns Lake Band (the "Band") are the responsibility of management and have been prepared in accordance with Canadian public sector accounting standards. A summary of the significant accounting policies are described in Note 1 to the consolidated financial statements. The preparation of consolidated financial statements necessarily involves the use of estimates based on management's judgment, particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods. The Band's management maintains a system of internal controls designed to provide reasonable assurance that assets are safeguarded, transactions are properly authorized and recorded in compliance with legislative and regulatory requirements, and reliable financial information is available on a timely basis for preparation of the consolidated financial statements. These systems are monitored and evaluated by management. Chief and Council meet with management and the external auditors to review the consolidated financial statements and discuss any significant financial reporting or internal control matters prior to their approval of the consolidated financial statements. The consolidated financial statements have been audited by KPMG LLP, independent external auditors appointed by the Band. The accompanying Independent Auditors' Report outlines their responsibilities, the scope of their examination and their opinion on the Band's consolidated financial statements.

Chief Clayton Charlie  
TS'IL KAZ KOH – Burns Lake Band

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*TS'IL KAZ KOH, FORMERLY KNOWN AS THE BURNS LAKE BAND,  
IS AN INDIGENOUS COMMUNITY LOCATED IN BURNS LAKE, BC*



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## INDEPENDENT AUDITORS' REPORT

To the Members of Burns Lake Band

### ***Qualified Opinion***

We have audited the consolidated financial statements of Burns Lake Band (the Band), which comprise:

- the consolidated statement of financial position as at March 31, 2020
- the consolidated statement of operations for the year then ended
- the consolidated statement of changes in net financial assets for the year then ended
- the consolidated statement of cash flows for the year then ended
- and notes to the consolidated financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the "financial statements").

In our opinion, except for the possible effects of the matter described in the "Basis for Qualified Opinion" section of our auditors' report, the accompanying financial statements present fairly, in all material respects, the consolidated financial position of the Band as at March 31, 2020 and its consolidated results of operations and its consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards.

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

We were appointed as auditors of the Band subsequent to the year end.

We were not able to observe the counting of the physical inventories at March 31, 2020 or to be satisfied concerning those inventory quantities by alternative means.

Therefore, we were not able to determine whether any adjustments might be necessary to:

- the inventory assets reported in the consolidated statement of financial position as at March 31, 2020
- the economic development expenses reported in the consolidated statement of operations for the year ended March 31, 2020
- the consolidated statement of changes in net financial assets for the year ended March 31, 2020
- the annual surplus reported in the consolidated statement of cash flows for the year ended March 31, 2020



Our opinion on the financial statements for the year ended March 31, 2020 was qualified accordingly because of the possible effects of this limitation in scope.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the **"Auditors' Responsibilities for the Audit of the Financial Statements"** section of our auditors' report.

We are independent of the Band in accordance with the ethical requirements that are relevant to our audit of the 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.

### ***Emphasis of Matter - Restatement of Financial Statements***

We draw attention to Note 12 to the financial statements, which describes that certain comparative information presented for the year ended March 31, 2019 has been restated.

Note 12 explains the reason for the restatement and also explains the adjustments that were applied to restate certain comparative information.

Our opinion is not modified in respect to this matter.

### ***Other Matter - Comparative Information***

The consolidated financial statements for the year end March 31, 2019, excluding the adjustments that were applied to restate certain comparative information, were audited by another auditor who expressed an unmodified opinion on those consolidated financial statements on July 6, 2019.

As part of our audit of the consolidated financial statements for the year ended March 31, 2020, we also audited the adjustments that were applied to restate certain comparative information presented for the year ended March 31, 2019. In our opinion, such adjustments are appropriate and have been properly applied.

Other than with respect to the adjustments that were applied to restate certain comparative information, we were not engaged to audit, review or apply any procedures to the consolidated financial statements for the year ended March 31, 2019. Accordingly, we do not express an opinion or any other form of assurance on those consolidated financial statements taken as a whole.

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

Management is responsible for the preparation and fair presentation of the 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 Band'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 Band or to cease operations, or has no realistic alternative but to do so.



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

### ***Auditors' Responsibilities for the Audit of the Financial Statements***

Our 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 auditors' 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 the 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 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 Band'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 Band's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the 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 auditors' report. However, future events or conditions may cause the Band to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



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- 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

A handwritten signature in black ink that reads 'KPMG LLP'. The signature is written in a cursive, stylized font and is underlined with a single horizontal stroke.

Chartered Professional Accountants

Prince George, Canada

February 22, 2022



# BURNS LAKE BAND

## Consolidated Statement of Financial Position

March 31, 2020, with comparative information for 2019

	2020	2019 (restatement - note 12)
<b>Financial assets:</b>		
Cash	\$ 4,075,224	\$ 5,540,328
Accounts receivable (note 2)	2,927,856	652,391
Restricted cash (note 3)	546,764	542,079
Inventories (note 4)	71,112	71,112
Investments (note 5)	361,404	361,404
Ottawa Trust Fund (note 6)	372,474	325,089
Four Rivers Co-operative equity, at cost	85,849	51,319
	8,440,683	7,543,722
<b>Financial Liabilities:</b>		
Accounts payable and accrued liabilities (note 7)	433,102	236,329
Replacement reserves (note 3)	53,738	47,966
Deferred revenue (note 8)	87,175	28,250
Long-term debt (note 9)	7,436,950	8,787,096
	8,010,965	9,099,641
Net financial assets (debt)	429,718	(1,555,919)
<b>Non-financial assets:</b>		
Prepaid expenses	51,434	40,437
Tangible capital assets (note 10)	10,107,573	10,265,751
	10,159,007	10,306,188
Subsequent event (note 13)		
Contingent liabilities (note 14)		
Accumulated surplus	\$ 10,588,725	\$ 8,750,269

See accompanying notes to consolidated financial statements.

On behalf of Chief and Council





# BURNS LAKE BAND

## Consolidated Statement of Operations

Year ended March 31, 2020, with comparative information for 2019

	2020	2019 (restatement - note 12)
Revenue (note 16):		
BC First Nations Gaming Revenue Sharing Limited Partnership	\$ 262,005	\$ -
Canada Mortgage and Housing Corporation	18,381	22,194
Carrier Sekani Family Services	172,665	237,518
Carrier Sekani Tribal Council	64,630	461,020
First Nations Health Authority	174,911	94,412
Indigenous Services Canada	461,344	489,825
Key-oh Lodge room sales	1,206,263	1,025,434
Ministry of Children and Family Development	384,270	171,636
Other income (note 11)	1,642,974	1,908,742
Ottawa Trust Fund	47,385	48,756
Prince George Nechako Aboriginal Employment and Training Association	36,619	33,532
Province of British Columbia	2,415,113	1,300,952
Rainbow Gas Bar sales	1,960,195	2,199,037
Rental income	111,957	124,885
Taxation	573,617	570,438
	<u>9,532,329</u>	<u>8,688,381</u>
Expenses (note 16):		
Administration	983,303	531,091
Capital development	931,898	789,691
Community health	158,111	131,439
Daycare and children	539,605	271,441
Economic development	4,576,176	3,457,834
Education	163,034	153,105
Housing	15,623	25,063
Public works	278,389	306,515
Social services	47,734	107,043
	<u>7,693,873</u>	<u>5,773,222</u>
Annual surplus	1,838,456	2,915,159
Accumulated surplus, beginning of year	8,750,269	5,835,110
Accumulated surplus, end of year	<u>\$ 10,588,725</u>	<u>\$ 8,750,269</u>

See accompanying notes to consolidated financial statements.

# BURNS LAKE BAND

## Consolidated Statement of Changes In Net Financial Assets

Year ended March 31, 2020, with comparative information for 2019

	Total 2020	Total 2019 (restatement - note 12)
Annual surplus	\$ 1,838,456	\$ 2,915,159
Acquisition of tangible capital assets	(158,157)	(122,284)
Amortization	316,335	338,248
Change in prepaid expenses	(10,997)	327
Increase in net financial assets	1,985,637	3,131,450
Net debt, beginning of year	(1,555,919)	(4,687,369)
Net financial assets (debt), end of year	\$ 429,718	\$ (1,555,919)

See accompanying notes to consolidated financial statements.

# BURNS LAKE BAND

## Consolidated Statement of Cash Flows

Year ended March 31, 2020, with comparative information for 2019

	2020	2019 (restatement - note 12)
Cash provided by (used in):		
Operations:		
Annual surplus	\$ 1,838,456	\$ 2,915,159
Items not involving cash:		
Amortization	316,335	338,248
Treaty loan forgiveness	(1,079,074)	-
	1,075,717	3,253,407
Changes in non-cash operating working capital:		
Accounts receivable	(2,275,465)	117,604
Restricted cash	(4,685)	(5,766)
Inventory	-	(13,272)
Prepaid expenses	(10,997)	327
Ottawa Trust Fund	(47,385)	(48,757)
Four Rivers co-operative equity	(34,530)	(10,925)
Accounts payable and accrued liabilities	196,773	(133,250)
Replacement reserves	5,772	5,639
Deferred revenue	58,925	28,250
	(1,035,875)	3,193,257
Financing:		
Repayment of long-term debt	(271,072)	(268,964)
Investing:		
Acquisition of tangible capital assets	(158,157)	(122,284)
(Decrease) increase in cash	(1,465,104)	2,802,009
Cash, beginning of year	5,540,328	2,738,319
Cash, end of year	\$ 4,075,224	\$ 5,540,328

See accompanying notes to consolidated financial statements.

# BURNS LAKE BAND

## Notes to Consolidated Financial Statements

Year ended March 31, 2020

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### **Nature of operations:**

Burns Lake Band (the "Band") is located in the province of British Columbia and provides local government, education and training, health services, economic and social development services to its members and was established under the Indian Act (Canada).

### **1. Significant accounting policies:**

These consolidated financial statements include the assets, liabilities, and results of operations of the Band and all related entities and organizations subject to control by or responsibility of Chief and Council. No inclusion has been made of assets, liabilities, revenues or expenses of Band members, individually or collectively, incorporated or unincorporated, that are not controlled by or the responsibility of Chief and Council.

These consolidated financial statements have been prepared in accordance with Canadian public sector of accounting standards. The Band's significant accounting policies are as follows:

#### **(a) Reporting entity and principles of consolidation:**

The Band reporting entity includes the Burns Lake Band government and all related entities which are either owned or controlled by the Band.

All controlled entities are fully consolidated except for the commercial enterprises which meet the definition of a government business enterprise or government business partnership, which are included in these consolidated financial statements on a modified equity basis. Inter-entity balances and transactions are eliminated upon consolidation.

Under the modified equity method of accounting, only the Band's investment in the government business enterprise or government business partnership and their share of the entities net income and other changes in equity are recorded. No adjustments are made for accounting policies of the entities that are different from those of the Band.

Incorporated business entities, limited partnerships and other government organizations, which are controlled by the Band, are included in the consolidated financial statements using the consolidation method when they do not meet the criteria to be classified as government business enterprises.

Controlled entities consolidated in the financial statements include:

- Ts'il Kaz Koh Development Corporation (100% owned)

# BURNS LAKE BAND

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2020

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## 1. Significant accounting policies (continued):

### (a) Reporting entity and principles of consolidation (continued):

Jointly controlled entities are included in the consolidated financial statements using the proportionate consolidated method when they do not meet the definition of a government business partnership.

Government partnerships proportionality consolidated in the financial statements include:

- Ts'il Kaz Koh Development Limited Partnership (75% owned)

Certain incorporated business entities and limited partnerships, which are controlled or jointly controlled by the Band, are included in the financial statements using the modified equity method. These include:

Government business enterprises:

- Turtle Island Land Management Corporation Ltd. (100% owned)

Entities which are not controlled or jointly controlled are accounted for at cost. These include:

- Burns Lake Native Development Corporation (note 5)
- Nations Cannabis Holdings Limited Partnership (note 5)

### (b) Cash and cash equivalents:

Cash and cash equivalents consist of cash, bank overdrafts and investments in money market or other short-term instruments or investments with a maturity of less than 90 days.

# BURNS LAKE BAND

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2020

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## 1. Significant accounting policies (continued):

### (c) Inventories:

Inventories are measured at the lower of cost and net realizable value. Cost includes purchase, conversion and other costs incurred in bringing the inventories to their present location and condition. The costs are assigned using the first-in, first-out cost formula.

Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

The Band receives allowances from certain vendors whose products it purchases for resale. These allowances are received for a variety of buying and/or merchandising activities, including vendor programs such as volume purchases, purchase discounts and exclusivity allowances. Consideration received from a vendor is a reduction in the cost of the vendor's products and is recognized as a reduction in the cost of sales and the related inventory when recognized in the consolidated statement of operations and financial position.

### (d) Tangible capital assets:

Tangible capital assets are recorded at cost less accumulated amortization. Cost includes all costs directly attributable to acquisition or construction of the tangible capital asset including transportation costs, installation costs, design and engineering fees, legal fees and site preparation costs. Contributed tangible capital assets are recorded at fair value at the time of the donation with a corresponding amount recorded as revenue. Tangible capital assets under construction are not amortized until the asset is available for use.

Tangible capital assets are amortized on a declining balance basis using the following annual rates:

Asset	Rate
Paving	2% to 8%
Buildings	2% to 4%
Vehicles	30%
Machinery and Equipment	10% to 20%

# BURNS LAKE BAND

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2020

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## 1. Significant accounting policies (continued):

### (d) Tangible capital assets (continued):

When management determines that a tangible capital asset no longer contributes to the Band's ability to provide goods and services or that the value of the future benefits associated with the tangible capital asset is less than its net book value, the cost of the tangible capital asset is written down.

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.

### (e) Revenue recognition:

Government transfers and grant revenue are recognized as the Band becomes entitled to the funding under the terms of applicable funding agreements and are recorded in the period in which the resources are used for the purpose specified in the agreements. Restricted funding received which relates to a subsequent fiscal period or which stipulations that give rise to an obligation are reported as deferred revenue until the resources are used for the purpose or purposes specified and/or the stipulations giving rise to an obligation have been met.

Other revenue, including rent and lease revenue, and provision of services are recognized in the period the services are provided and the related proceeds are received or receivable.

Taxes are recorded at estimated amounts when they meet the definition of an asset, have been authorized and the taxable event occurs. For property taxes, the taxable event is the period for which the tax is levied. As taxes recorded are initially based on management's best estimate of the taxes that will be received, it is possible that changes in future conditions, such as reassessments due to audit, appeals and court decisions, could result in a change in the amount of tax revenue recognized. Taxes are recognized net of an allowance for anticipated uncollectable amounts, if any.

Other income, trust income, and investment income are recognized in the period the proceeds are earned and received or receivable.



# BURNS LAKE BAND

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2020

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## 1. Significant accounting policies (continued):

### (f) Funding recoveries and reimbursements:

Funding received from government sources in the form of conditional transfer payments are subject to recovery, by the Crown, of unexpended balances or unallowable expenses. The Crown may also reimburse over expenditures upon determining adherence to the terms and conditions of payment for a specific purpose. Recoveries and reimbursements are accounted for when they are paid or payable or received or receivable.

### (g) Allocation of expenses:

Management records a number of its expenses by program. The cost of each program includes the personnel, premises and other expenses that are directly related to providing the program.

Management allocates certain of its general support expenses by identifying the appropriate basis of allocating each expenses.

### (h) Contaminated sites:

Contaminated sites are defined as the result of contamination being introduced in air, soil, water or sediment of a chemical, organic, or radioactive material or live organism that exceeds an environmental standard.

A liability for remediation of contaminated sites is recognized, net of any expected recoveries, when all of the following criteria are met:

- (a) an environmental standard exists,
- (b) contamination exceeds the environmental standard,
- (c) the organization is directly responsibly or accepts responsibility for the liability,
- (d) future economic benefits will be given up, and
- (e) a reasonable estimate of the liability can be made.

### (i) Use of estimates:

The preparation of the financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the year. Items subject to such estimates and assumptions include the carrying amounts of tangible capital assets and inventories; provisions for impairment of accounts receivable and investments; and accrued liabilities. Actual results could differ from those estimates.

# BURNS LAKE BAND

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2020

## 2. Accounts receivable:

	2020	2019 (restatement - note 12)
Resource and funding agencies	\$ 2,726,322	\$ 595,966
Trade and other	194,205	85,133
Member advances	26,369	21,049
GST	28,691	(2,026)
Allowance for doubtful accounts	(47,731)	(47,731)
	<u>\$ 2,927,856</u>	<u>\$ 652,391</u>

## 3. Restricted cash:

	2020	2019
Bank of Montreal loan security	\$ 464,588	\$ 460,455
Social housing function reserves	82,176	81,624
	<u>\$ 546,764</u>	<u>\$ 542,079</u>

The funds are restricted for the following purposes:

- a) A term deposit held with the Bank of Montreal securing the operating lines for the Rainbow Gas Bar.
- b) Social Housing Replacement Reserve funds can only be utilized under the terms of the respective Canada Mortgage and Housing Corporation agreements. The replacement reserve liability of \$53,738 is fully funded by the cash set aside.

## 4. Inventories:

	2020	2019
Fuel	\$ 27,189	\$ 27,189
Tobacco	12,588	12,588
Other	31,335	31,335
	<u>\$ 71,112</u>	<u>\$ 71,112</u>

# BURNS LAKE BAND

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2020

## 5. Investments:

		2020	2019
Turtle Island Land Management Corporation Ltd.	\$	361,402	\$ 361,402
Nations Cannabis Holdings Limited Partnership		-	-
Burns Lake Native Development Corporation		2	2
	\$	361,404	\$ 361,404

Burns Lake Native Development Corporation investment is reported at cost.

Turtle Island Land Management Corporation Ltd. is reported on the modified equity method. The company is inactive and financial statements have not been prepared.

During the year, the Band invested \$1,500,000 for partnership units of Nations Cannabis Holdings Limited Partnership. Due to conditions subsequent to year end indicating valuation is undeterminable, an impairment on the investment for the full amount has been recognized in the 2020 fiscal year.

## 6. Ottawa Trust Fund:

	Revenue	Capital	2020	2019
Balance, beginning of year	\$ 325,088	\$ 1	\$ 325,089	\$ 276,332
Interest	5,830	-	5,830	7,489
Additions	41,555	-	41,555	41,268
	\$ 372,473	\$ 1	\$ 372,474	\$ 325,089

The Ottawa Trust Funds arise from monies 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". Trust funds are included as revenue only to the extent they have been received from the Band's trust funds.

# BURNS LAKE BAND

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2020

## 7. Accounts payable and accrued liabilities:

	2020	2019 (restatement - note 12)
Trade accounts payable and accrued liabilities	\$ 285,118	\$ 167,648
Wages and benefits	77,615	60,538
Receiver General	17,007	8,143
GST payable	53,362	-
	<b>\$ 433,102</b>	<b>\$ 236,329</b>

## 8. Deferred revenue:

	Balance, beginning of year	Contributions	Revenue recognized	Balance, end of year
Ministry of Children and Family Development - Prototype Initiative	\$ 28,250	\$ -	\$ 28,250	\$ -
Ministry of Children and Family Development - Prevention and Family Support	-	30,000	-	30,000
First Nations Health Authority - Headstart	-	41,808	-	41,808
First Nations Health Authority - Skills Link	-	15,367	-	15,367
	<b>\$ 28,250</b>	<b>\$ 87,175</b>	<b>\$ 28,250</b>	<b>\$ 87,175</b>

# BURNS LAKE BAND

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2020

## 9. Long-term debt:

	2020	2019
Bank of Montreal demand loan, repayable at \$44,053 per month including interest at prime plus 1%. Secured by \$455,000 term deposit and Band Council guarantee.	\$ 7,053,742	\$ 7,231,928
Canada Mortgage and Housing Corporation mortgage, repayable at \$1,876 per month including interest at 1.39% per annum. Secured by Band Council guarantee and by their respective property.	309,353	327,435
Carrier Sekani Tribal Council, treaty negotiation loans, forgiven during the current year.	-	1,079,075
Royal Bank of Canada non-revolving term loan, repayable at \$59,000 per annum, interest paid monthly at prime plus 1.75% per annum, due July 31, 2020. Secured by a general security agreement over all Band assets.	60,000	119,000
Tribal Resource Investment Corporation, term loan, repayable at \$1,655 per month including interest at 11% per annum. Secured by Band Council guarantee, 40% forgivable after 60% of principal paid.	13,855	29,658
	\$ 7,436,950	\$ 8,787,096

Provided the lenders do not demand repayment of the loans in full, principal repayments are due as follows:

2021	\$ 382,004
2022	319,619
2023	329,395
2024	340,544
2025	352,077
Thereafter	5,713,311
	\$ 7,436,950

# BURNS LAKE BAND

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2020

## 10. Tangible capital assets:

2020						
	Land	Building	Machinery and equipment	Vehicles	Paving	Total
<b>Cost</b>						
Balance, beginning of year	\$ 83,500	\$ 9,687,462	\$ 922,548	\$ 398,042	\$ 1,117,648	\$ 12,209,200
Additions	-	100,083	58,074	-	-	158,157
Balance, end of year	83,500	9,787,545	980,622	398,042	1,117,648	12,367,357
<b>Accumulated amortization</b>						
Balance, beginning of year	-	1,142,951	408,480	308,939	83,079	1,943,449
Amortization expenses	-	200,404	68,481	26,731	20,719	316,335
Balance, end of year	-	1,343,355	476,961	335,670	103,798	2,259,784
Net book value, end of year	\$ 83,500	\$ 8,444,190	\$ 503,661	\$ 62,372	\$ 1,013,850	\$ 10,107,573

# BURNS LAKE BAND

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2020

## 10. Tangible capital assets (continued):

2019						
	Land	Building	Machinery and equipment	Vehicles	Paving	Total
<b>Cost</b>						
Balance, beginning of year	\$ 83,500	\$ 9,687,462	\$ 895,064	\$ 303,242	\$ 1,117,648	\$ 12,086,916
Additions	-	-	27,484	94,800	-	122,284
Balance, end of year	83,500	9,687,462	922,548	398,042	1,117,648	12,209,200
<b>Accumulated amortization</b>						
Balance, beginning of year	-	932,662	339,928	270,753	61,858	1,605,201
Amortization expenses	-	210,289	68,552	38,186	21,221	338,248
Balance, end of year	-	1,142,951	408,480	308,939	83,079	1,943,449
Net book value, end of year	\$ 83,500	\$ 8,544,511	\$ 514,068	\$ 89,103	\$ 1,034,569	\$ 10,265,751



# BURNS LAKE BAND

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2020

## 11. Other income:

	2020	2019
BC Oil and Gas Commission	\$ 20,000	\$ 15,000
Burns Lake Community Forest	368,047	637,965
Coastal Gas Link	40,592	1,118,400
Daycare fees	41,912	33,240
Four-Rivers co-operative	34,530	10,926
Government of Canada - treaty loan forgiveness	1,079,074	-
Interest	19,988	4,909
Other	38,831	88,302
	<b>\$ 1,642,974</b>	<b>\$ 1,908,742</b>

## 12. Restatement:

During the year, the Band determined that they exercise control over the Key-oh Lodge. This entity was previously included in the Band's financial statements through the modified equity method. The Band has determined that the following adjustments were needed to be reflected in the prior year financial statements to correct the error.

	As previously reported	Increase (decrease)	As restated
<b>Consolidated Statement of financial Position:</b>			
Cash	\$ 5,345,289	\$ 195,039	\$ 5,540,328
Accounts receivable	879,181	(226,790)	652,391
Accounts payable and accrued liabilities	218,865	17,464	236,329
Prepaid expenses	26,754	13,683	40,437
Accumulated surplus, beginning of year	5,859,944	(24,834)	5,835,110
Accumulated surplus, end of year	8,785,802	(35,533)	8,750,269
<b>Consolidated Statement of Operations:</b>			
Revenue	8,049,958	638,423	8,688,381
Expenses	5,124,100	649,122	5,773,222
Annual surplus	2,925,858	(10,699)	2,915,159

The consolidated financial statements have been reclassified, where applicable, to conform to the presentation used in the current year. The changes do not affect prior year annual surplus.

# BURNS LAKE BAND

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2020

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## **13. Subsequent event:**

Subsequent to the year end, the Rainbow Gas Bar announced it will cease active operations on June 25, 2021.

## **14. Contingent liabilities:**

Under the terms of the agreement with Indigenous Services Canada and other government agencies, certain surplus may be recoverable and so repayable to the government by the Band. The amount of liability, if any, of the Band is not determinable at this time.

Under the BC Environmental Management Act, a gas station is considered to be a contaminated site and, upon closure of the gas station, the Band is responsible for site remediation. The amount of the liability, if any, is not determinable and has not been recognized in the consolidated financial statements.

In the normal course of operations, the Band may become involved in legal actions. Some of these potential liabilities may become actual liabilities when one or more future event 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 in the consolidated financial statements.

## **15. Related party transactions:**

In the normal course of operations, the Band participated in transactions with related parties measured at the exchange amount as determined and agreed to by the related parties.

# BURNS LAKE BAND

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2020

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## 16. Segmented information:

- a) Administration - provides governance initiatives and training through the activities of Chief and Council and administration of other activities relating to program delivery, membership and finance.
- b) Capital development - manages community and facilities operations and maintenance including capital projects, amortization and housing and maintenance of housing.
- c) Community health - provides a variety of health care programs, services and support to Band members.
- d) Economic development - provides programs and services associated with the operation and maintenance of the Band's owned housing occupied by their members and manages the development of economic opportunities from the land and natural resources for the Band and its entities.
- e) Daycare and children - provides daycare programs and services for the members of the Band.
- f) Education - provides elementary and secondary education instructional services and provides financial support to post secondary students as well provides training and work opportunities for Band members to improve their job skills and participate effectively in the labour market.
- g) Housing - responsible for the administration and management of the Social Housing units.
- h) Public works - manages community and facilities operations and maintenance including municipal services, water and waste water operations, roads, and fire protection.
- i) Social services - provides programs and services for the social benefit and welfare of Band members.

# BURNS LAKE BAND

## Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2020

### 16. Segmented information (continued):

2020										
	Administration	Capital Development	Community Health	Economic Development	Daycare and Children	Education	Housing	Public Works	Social Services	Total
<b>Revenue:</b>										
Canada Mortgage and Housing Corporation	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	18,381	\$ -	\$ -	18,381
Indigenous Services Canada	169,649	-	-	15,000	-	136,768	-	65,056	74,871	461,344
Carrier Sekani Family Services	-	-	172,665	-	-	-	-	-	-	172,665
First Nations Health Authority	-	-	-	38,639	136,272	-	-	-	-	174,911
Ottawa Trust Fund	47,385	-	-	-	-	-	-	-	-	47,385
Other income	32,454	368,047	-	1,200,380	41,913	-	180	-	-	1,642,974
Rent	-	5,625	-	13,595	-	-	4,400	88,337	-	111,957
Prince George Nechako Aboriginal Employment and Training Association	-	-	-	-	-	36,619	-	-	-	36,619
Carrier Sekani Tribal Council	-	6,500	-	58,130	-	-	-	-	-	64,630
Province of British Columbia	1,000	389,185	5,159	2,001,899	15,370	2,500	-	-	-	2,415,113
Rainbow Gas Bar sales	-	-	-	1,960,195	-	-	-	-	-	1,960,195
Taxation	-	-	-	573,617	-	-	-	-	-	573,617
Key-oh Lodge room sales	-	-	-	1,206,263	-	-	-	-	-	1,206,263
Ministry of Children and Family Development	-	-	-	-	384,270	-	-	-	-	384,270
BC First Nations Gaming Revenue Sharing Limited Partnership	-	-	-	262,005	-	-	-	-	-	262,005
<b>Total revenue</b>	<b>250,488</b>	<b>769,357</b>	<b>177,824</b>	<b>7,329,723</b>	<b>577,825</b>	<b>175,887</b>	<b>22,961</b>	<b>153,393</b>	<b>74,871</b>	<b>9,532,329</b>

# BURNS LAKE BAND

## Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2020

### 16. Segmented information (continued):

2020										
	Administration	Capital Development	Community Health	Economic Development	Daycare and Children	Education	Housing	Public Works	Social Services	Total
<b>Expenses:</b>										
Impairment on investment (note 5)	-	-	-	1,500,000	-	-	-	-	-	1,500,000
Amortization	-	316,335	-	-	-	-	-	-	-	316,335
Bank charges and interest	15,138	355,089	-	45,114	195	-	4,434	-	-	419,970
Equipment purchases	1,408	2,697	-	8,787	1,940	-	-	5,265	-	20,097
Honoraria	37,650	-	-	13,216	-	-	-	-	-	50,866
Insurance	52,532	-	-	22,885	-	-	-	2,337	-	77,754
Materials and supplies	60,665	2,447	1,232	1,733,846	66,542	4,165	-	12,614	-	1,881,511
Other	20,063	8,749	19,196	274,694	7,821	138,741	-	-	47,681	516,945
Professional fees	115,445	3,662	-	91,452	1,625	-	5,400	74,368	-	291,952
Rent	6,444	-	8,000	22,812	20,201	3,251	-	1,569	-	62,277
Repairs and maintenance	2,362	35,558	-	19,683	6,133	-	5,789	35,338	-	104,863
Telephone and utilities	12,568	-	1,256	131,816	1,445	140	-	84,673	-	231,898
Travel and training	201,404	130,017	61,857	27,389	2,777	16,072	-	967	-	440,483
Wages and benefits	457,624	77,344	66,570	684,482	430,926	665	-	61,258	53	1,778,922
<b>Total expenses</b>	<b>983,303</b>	<b>931,898</b>	<b>158,111</b>	<b>4,576,176</b>	<b>539,605</b>	<b>163,034</b>	<b>15,623</b>	<b>278,389</b>	<b>47,734</b>	<b>7,693,873</b>
Revenue over expenditures	(732,815)	(162,541)	19,713	2,753,547	38,220	12,853	7,338	(124,996)	27,137	1,838,456
Transfers	(212,287)	400,075	-	(64,445)	-	-	-	(123,343)	-	-
<b>Surplus (deficit)</b>	<b>\$ (945,102)</b>	<b>\$ 237,534</b>	<b>\$ 19,713</b>	<b>\$ 2,689,102</b>	<b>\$ 38,220</b>	<b>\$ 12,853</b>	<b>\$ 7,338</b>	<b>\$ (248,339)</b>	<b>\$ 27,137</b>	<b>\$ 1,838,456</b>

# BURNS LAKE BAND

## Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2020

### 16. Segmented information (continued):

2019										
	Administration	Capital Development	Community Health	Economic Development	Daycare and Children	Education	Housing	Public Works	Social Services	Total
<b>Revenue:</b>										
Canada Mortgage and Housing Corporation	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	22,194	\$ -	\$ -	22,194
Indigenous Services Canada	152,338	-	-	10,000	-	131,604	-	72,709	123,174	489,825
Carrier Sekani Family Services	-	-	237,518	-	-	-	-	-	-	237,518
First Nations Health Authority	-	-	-	17,500	76,912	-	-	-	-	94,412
Ottawa Trust Fund	48,756	-	-	-	-	-	-	-	-	48,756
Other income	70,683	637,965	-	1,158,152	33,240	-	8,571	131	-	1,908,742
Rent	-	7,100	-	20,877	-	-	13,300	83,608	-	124,885
Prince George Nechako Aboriginal Employment and Training Association	-	-	-	-	-	33,532	-	-	-	33,532
Carrier Sekani Tribal Council	-	6,000	-	455,020	-	-	-	-	-	461,020
Province of British Columbia	13,495	4,939	5,058	1,106,863	164,903	5,694	-	-	-	1,300,952
Rainbow Gas Bar sales	-	-	-	2,199,037	-	-	-	-	-	2,199,037
Taxation	-	-	-	570,438	-	-	-	-	-	570,438
Key-oh Lodge room sales	-	-	-	1,025,434	-	-	-	-	-	1,025,434
Ministry of Children and Family Development	-	-	-	-	171,636	-	-	-	-	171,636
<b>Total revenue</b>	<b>285,272</b>	<b>656,004</b>	<b>242,576</b>	<b>6,563,321</b>	<b>446,691</b>	<b>170,830</b>	<b>44,065</b>	<b>156,448</b>	<b>123,174</b>	<b>8,688,381</b>

# BURNS LAKE BAND

## Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2020

### 16. Segmented information (continued):

2019										
	Administration	Capital Development	Community Health	Economic Development	Daycare and Children	Education	Housing	Public Works	Social Services	Total
<b>Expenses:</b>										
Amortization	-	338,248	-	-	-	-	-	-	-	338,248
Bank charges and interest	10,352	351,421	-	46,459	299	-	-	-	-	408,531
Equipment purchases	2,483	3,015	-	10,437	2,679	-	-	7,530	-	26,144
Honoraria	37,650	250	-	17,137	-	-	-	-	-	55,037
Insurance	-	-	-	59,456	-	-	3,904	2,577	-	65,937
Materials and supplies	37,535	980	5,743	1,916,577	21,785	15	-	36,622	-	2,019,257
Other	(18,339)	11,618	3,693	325,671	29,658	113,160	-	-	86,247	551,708
Professional fees	52,641	-	-	138,945	-	-	2,500	14,799	-	208,885
Rent	4,297	-	8,000	25,116	16,571	3,251	4,652	5,117	4,000	71,004
Repairs and maintenance	-	35,567	-	62,092	-	-	14,007	77,616	-	189,282
Telephone and utilities	18,826	-	-	127,426	2,642	-	-	85,277	-	234,171
Travel and training	101,615	31,030	23,784	97,517	1,461	36,637	-	660	-	292,704
Wages and benefits	284,031	17,562	90,219	631,001	196,346	42	-	76,317	16,796	1,312,314
<b>Total expenses</b>	<b>531,091</b>	<b>789,691</b>	<b>131,439</b>	<b>3,457,834</b>	<b>271,441</b>	<b>153,105</b>	<b>25,063</b>	<b>306,515</b>	<b>107,043</b>	<b>5,773,222</b>
Revenue over expenditures	(245,819)	(133,687)	111,137	3,105,487	175,250	17,725	19,002	(150,067)	16,131	2,915,159
Transfers	(140,552)	(708,053)	3,480	890,248	(470)	(2,146)	-	(42,507)	-	-
<b>Surplus (deficit)</b>	<b>\$ (386,371)</b>	<b>\$ (841,740)</b>	<b>\$ 114,617</b>	<b>\$ 3,995,735</b>	<b>\$ 174,780</b>	<b>\$ 15,579</b>	<b>\$ 19,002</b>	<b>\$ (192,574)</b>	<b>\$ 16,131</b>	<b>\$ 2,915,159</b>