

Upper Nicola Band

Consolidated Financial Statements

March 31, 2021

Upper Nicola Band

Consolidated Financial Statements

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Management's Responsibility for Financial Reporting

March 31, 2021

The accompanying Consolidated financial statements of Upper Nicola Band are the responsibility of management and have been approved by Council.

The Consolidated financial statements have been prepared by management in accordance with Canadian public sector accounting standards prescribed for governments as recommended by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada and as such include amounts that are the best estimates and judgments of management.

Management is responsible for the integrity and objectivity of these statements and for implementing and maintaining a system of internal controls to provide reasonable assurance that reliable financial information is produced.

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

The Council meets periodically with management, as well as the external auditors, to discuss internal controls over the financial reporting process, auditing matters and financial reporting issues, to satisfy themselves that each party is properly discharging their responsibilities, and to review the Consolidated financial statements and the external auditor's report.

The external auditors, Crowe MacKay LLP, conduct an independent examination, in accordance with Canadian auditing standards, and express their opinion on the Consolidated financial statements. The external auditors have full and free access to financial management of Upper Nicola Band and meet when required.

On behalf of Upper Nicola Band:



Chief

Nov 30, 2021

Date



Finance and Audit Committee Chair

Nov 30, 2021

Date



Chief Financial Officer

Nov 30, 2021

Date

Independent Auditors' Report

**To the Members of
Upper Nicola Band**

Opinion

We have audited the Consolidated financial statements of Upper Nicola Band, which comprise the Consolidated statement of financial position as at March 31, 2021, and the Consolidated statements of operations and accumulated surplus, change in net financial assets and cash flows for the year then ended, and notes to the Consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying Consolidated financial statements present fairly, in all material respects, the Consolidated financial position of Upper Nicola Band as at March 31, 2021, and the results of its Consolidated operations, its changes in its Consolidated net debt, and its Consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

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

Other Matter

Our audit was conducted for the purpose of forming an opinion on the basic Consolidated financial statements of Upper Nicola Band taken as a whole. The supplementary information included on the schedules on pages 29-93 is presented for the purposes of additional analysis and is not a required part of the basic financial statements. Such supplementary information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

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

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

In preparing the Consolidated financial statements, management is responsible for assessing Upper Nicola 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 Upper Nicola Band or to cease operations, or has no realistic alternative but to do so.

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

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the Consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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 these financial statements. As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- ◆ Identify and assess the risks of material misstatement of the Consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ◆ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the First Nation's internal control.
- ◆ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- ◆ Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on Upper Nicola 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 Upper Nicola Band to cease to continue as a going concern.
- ◆ Evaluate the overall presentation, structure and content of the Consolidated financial statements, including the disclosures, and whether the Consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- ◆ Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the Consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Vancouver, Canada
November 30, 2021

Crowe Mackay LLP
Chartered Professional Accountants

Upper Nicola Band

Consolidated Statement of Financial Position

March 31	2021	2020 (Restated - note 2)
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Financial Assets

Cash and equivalents (Note 4)	\$ 4,835,923	\$ 1,783,516
Accounts receivable (Note 5)	1,253,016	1,521,356
Due from related party (Note 6)	1,321	3,817
Marketable securities (Note 7)	14,501,217	11,984,826
Long-term investments (Note 8)	1,417,009	1,233,011
Trust funds held by Ottawa (Note 9)	144,253	140,415
	<u>22,152,739</u>	<u>16,666,941</u>

Liabilities

Accounts payable and accrued liabilities	1,857,264	1,171,228
Deferred revenue (Note 10)	1,388,214	1,130,224
Upper Nicola Trust	122,154	122,154
Long-term debt (Note 11)	1,570,375	1,740,337
	<u>4,938,007</u>	<u>4,163,943</u>

Net financial assets	17,214,732	12,502,998
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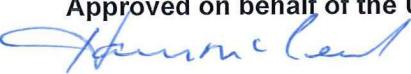
Non-financial Assets

Capital assets (Note 12)	9,746,002	10,084,836
Prepaid expenses	8,909	8,879
	<u>9,754,911</u>	<u>10,093,715</u>

Accumulated Surplus (Note 13)	\$ 26,969,643	\$ 22,596,713
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Contingent liabilities (Note 13)

Approved on behalf of the Upper Nicola Band

, Chief

, Finance and Audit Committee Chair

, Chief Financial Officer

Upper Nicola Band

Consolidated Statement of Operations and Accumulated Surplus

For the year ended March 31	2021 Budget	2021 Actual	2020 Actual (Restated - note 2)
Revenue			
Indigenous Services Canada	\$ 5,596,986	\$ 5,814,658	\$ 4,661,748
ISC Recovery	7,736	(125,343)	79,740
Other income	5,227,768	4,447,009	4,716,388
First Nations Health Authority	1,353,154	1,524,049	1,502,205
Forestry	1,020,308	1,017,601	1,414,570
BC Gaming Revenue	-	506,966	473,529
Income from marketable securities	5,652	416,392	198,301
Other Province of BC	493,073	374,971	182,096
Other government funding	686,656	329,614	551,630
First Nations Education Steering Committee	242,624	324,069	214,239
Rental income	278,950	320,272	288,455
Investment income	27,000	193,109	61,527
CMHC subsidy	106,893	163,188	90,893
Indigenous Skills & Employment Training Strategy	115,701	61,917	141,032
Modified equity from government business enterprises	-	48,397	(32,493)
Daycare fees	12,000	20,294	3,699
ISC - Revenue deferred from prior year	-	1,130,224	1,236,632
ISC - Revenue deferred to future year	-	(1,388,214)	(1,130,224)
	15,174,501	15,179,173	14,653,967
Expenses (Note 15)			
Administration	2,103,474	1,397,736	1,575,448
Amortization	-	785,484	836,694
Community and Social Services	3,796,418	3,185,338	2,013,694
Economic Development	152,383	35,075	21,048
Education	2,513,500	2,040,678	2,208,476
Forestry	141,742	224,789	287,565
Health	1,329,185	1,405,332	1,324,003
Housing	341,531	420,980	406,699
Language and culture	376,482	304,678	105,376
Other	175,755	127,420	142,733
Title and rights	1,469,897	764,124	990,910
Property Tax	16,552	8,697	6,336
Capital Fund	3,590,487	105,912	159,125
	16,007,406	10,806,243	10,078,107
Excess of revenue over expenses	(832,905)	4,372,930	4,575,860
Accumulated surplus, beginning of year	-	22,596,713	18,020,853
Accumulated surplus, end of year	\$ (832,905)	\$ 26,969,643	\$ 22,596,713

Upper Nicola Band**Consolidated Statement of Change in Net Financial Assets**

For the year ended March 31**2021** **2020**
(Restated - note
2)

Excess of revenue over expenses	\$ 4,372,930	\$ 4,575,860
Acquisition of tangible capital assets	(446,650)	(707,167)
Amortization of tangible capital assets	785,484	836,694
Disposition of capital assets	-	210,544
	338,834	340,070
Acquisition of prepaid asset	(30)	(630)
Increase in net financial assets	4,711,734	4,915,300
Net financial assets, beginning of year	12,502,998	7,587,698
Net financial assets, end of year	\$ 17,214,732	\$ 12,502,998

Upper Nicola Band

Consolidated Statement of Cash Flow

For the year ended March 31, 2021	2021	2020 (Restated - note 2)
Cash flows from Operating activities		
Excess of revenue over expenses	\$ 4,372,930	\$ 4,575,860
Items not affecting cash		
Amortization	785,484	836,694
	5,158,414	5,412,554
Change in non-cash operating working capital		
Accounts receivable	268,340	179,860
Prepaid expenses	(30)	(630)
Accounts payable and accrued liabilities	686,036	(364,936)
Deferred revenue	257,990	(106,408)
	6,370,750	5,120,440
Capital activities		
Purchase of capital assets	(446,650)	(707,167)
Disposal of tangible capital assets	-	210,543
	(446,650)	(496,624)
Financing activities		
Repayment of long term debt	(169,962)	(207,447)
Fund increase in Trust Funds held in Ottawa	(3,838)	(4,408)
	(173,800)	(211,855)
Investing activities		
Investments	(183,998)	43,526
Due to/from related party	2,496	(21,772)
Marketable securities dispositions	6,820,544	1,981,429
Marketable securities purchases	(9,336,935)	(8,029,824)
	(2,697,893)	(6,026,641)
Increase (decrease) in cash and cash equivalents	3,052,407	(1,614,680)
Cash and cash equivalents, beginning of year	1,783,516	3,398,196
Cash and cash equivalents, end of year	\$ 4,835,923	\$ 1,783,516

Upper Nicola Band

Notes to Consolidated Financial Statements

March 31, 2021

1. Basis of Presentation and Significant Accounting Policies

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

The consolidated financial statements reflect activities of the Nation and the partnerships and business enterprises which it controls. Controlled organizations are consolidated, except for government business enterprises and partnerships which are accounted for by the modified equity method. Upper Nicola Band Limited Partnership is controlled by the Nation and accounted for by the modified equity method.

(a) Revenue recognition

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

Government transfers are recognized as revenues when the transfer is authorized and any eligibility criteria are met, except to the extent that transfer stipulations give rise to an obligation that meets the definition of a liability. Transfers are recognized as deferred revenue when transfer stipulations give rise to a liability. Transfer revenue is recognized in the statement of operations as the stipulated liabilities are settled.

Forestry revenues are recognized in the period in which they become receivable in accordance to the First Nation's contractual arrangements.

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

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

Income from investments is recorded on the accrual basis.

(b) Investments

The First Nation accounts for its Government Business Enterprise (Upper Nicola Holdings Limited Partnership) and its investments in Stuwix Resources Joint Venture and Stuwix Resources Ltd. using the modified equity method. Under this method, the Nation's investment in the business enterprise and its net earnings and other changes in equity are recorded in the Administration segment. No adjustment is made to conform the accounting policies of the government business enterprise to those of the Nation. Inter-organizational transactions and balances have not been eliminated, except for any profit or loss on transactions of assets that remain within the entities.

Other investments are recorded at lower of cost and net realizable value.

Upper Nicola Band

Notes to Consolidated Financial Statements

March 31, 2021

1. Basis of Presentation and Significant Accounting Policies (continued)

(c) Financial instruments

All significant financial assets, financial liabilities and equity instruments of the entity are either recognized or disclosed in the financial statements together with other information relevant for making a reasonable assessment of future credit, liquidity, and market risk.

COVID-19 (see note 3) has resulted in an increase in risk of these financial instruments. Upper Nicola Band cannot predict changes in these risks or the impact on operating results. Such changes related to the COVID-19 pandemic, could have a material effect in the Upper Nicola Band operations and financial condition.

(d) Cash and equivalents

Cash and cash equivalents include cash on hand and balances in bank accounts, net of bank overdrafts.

(e) Use of estimates and COVID-19 measurement uncertainty

In preparing these financial statements, management made estimates and judgments including consideration for the uncertainties and economic implications of the COVID-19 pandemic on the First Nations operations, financial performance and financial position for the year ended March 31, 2021. The uncertainty surrounding the COVID-19 pandemic could generate, in future reporting periods, a significant risk of material adjustment to the carrying amounts in the financial statements. Estimates not associated with the COVID-19 pandemic are reviewed periodically, and as adjustments become necessary, they are reported in earnings in the period in which they become known.

At the date of publication of these financial statements, it is not possible to reliably estimate the length and severity of the COVID-19 pandemic developments and its potential impact on the First Nation's financial results, conditions and cash flows.

Upper Nicola Band

Notes to Consolidated Financial Statements

March 31, 2021

1. Basis of Presentation and Significant Accounting Policies (continued)

(f) Tangible capital assets

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

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

Amortization is provided for on a straight-line basis over their estimated useful lives as follows:

Automotive equipment	4 Years
Buildings	20 Years
Furniture and Equipment	5 Years
Infrastructure	25 Years
Social Housing	25 Years

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

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

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

2. Prior period restatement

During the year, the First Nation changed its policy regarding funded reserves liability. As a result, prior period balances have been restated. As a result, opening surplus increased by \$549,059 and liabilities decreased by \$549,059. Prior period opening surplus increased \$542,009, liabilities decrease by \$549,059 and excess of revenue over expenses increased by \$7,050.

Upper Nicola Band

Notes to Consolidated Financial Statements

March 31, 2021

3. COVID-19 Pandemic

On March 11, 2020, the World Health Organization declared a global pandemic. The outbreak of the novel strain of the coronavirus, COVID-19, has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. These measures have caused material disruptions to businesses, governments and other organizations resulting in an economic slowdown and increased volatility. Governments and central banks including Canadian federal, provincial, territorial and municipal governments have responded with significant monetary and fiscal interventions designed to stabilize economic conditions.

At the time of approval of these financial statements, in response to the COVID-19 pandemic:

- The First Nation has considered the impact to Health Centres
- The First Nation has pursued available government assistance programs.
- The First Nation has temporarily/permanently terminated employees.
- The First Nation has implemented remote work arrangements for those able to do so.
- The First Nation has implemented stringent health and safety procedures.
- The management of the entity has been proactive and diligent in addressing the implementation of infection prevention and other precautionary measures, guided by public health authorities, to limit the spread of COVID-19 and the impact of the pandemic and the related economic contraction on the entity.

The rapidly evolving event, including health and safety conditions, economic environment and resulting government measures, creates a high level of uncertainty and risk that may result in significant impacts to the entity's activities, results of operations and financial condition. The duration and impact of the COVID-19 outbreak is unknown at this time, as is the efficacy of any interventions. As such it is not possible to estimate the length and severity of these development and the impact on the financial results and condition on the First Nation and its operations in future periods.

Upper Nicola Band

Notes to Consolidated Financial Statements

March 31, 2021

4. Cash and equivalents

	2021	2020
Externally restricted		
CMHC replacement reserve	\$ 147,259	\$ 159,028
CMHC operating reserve	<u>441,989</u>	440,826
	<u>589,248</u>	599,854
Unrestricted		
General accounts	<u>4,246,675</u>	1,183,662
	<u>\$ 4,835,923</u>	\$ 1,783,516

Under the terms of agreements with Canada Mortgage and Housing Corporation (CMHC), any annual operating surplus may be retained in an operating reserve, to be drawn against in the event of any future deficits. These funds, along with accumulated interest, must be deposited in a separate bank account. Funds may only be invested in accounts or instruments insured by the Canada Deposit Insurance Corporation or as may otherwise be approved by CMHC from time to time.

Under the terms of the operating agreements with CMHC, the replacement reserve is to be credited annually with agreed amounts. These funds, along with accumulated interest, must be held in a separate bank account, and invested in accounts or instruments insured by Canada Deposit Insurance Corporation, or otherwise approved by CMHC from time to time. These funds in the account may only be used as approved by CMHC. Withdrawals are credited to interest first and then to principal. At the year end date, the reserve was overfunded by \$88,252 (2020 - overfunded by \$50,794).

5. Accounts receivable

	2021	2020
Accounts receivable - general	\$ 1,405,197	\$ 1,545,723
Members receivables	<u>489,373</u>	493,493
	<u>1,894,570</u>	2,039,216
Allowance for doubtful accounts	(641,554)	(517,860)
	<u>\$ 1,253,016</u>	\$ 1,521,356

6. Due from related party

The amount due from related party is due from Upper Nicola Holdings Limited Partnership. The balance is non interest bearing with no specific terms of repayment.

Upper Nicola Band

Notes to Consolidated Financial Statements

March 31, 2021

7. Marketable securities

	2021 Cost	2021 Market value
Cash	\$ 145,833	\$ 145,652
Guaranteed investment certificates	2,820,000	2,820,000
Fixed income	3,736,559	3,839,699
Equities	7,798,825	9,578,610
	\$ 14,501,217	\$ 16,383,961

As of March 31, 2020, the fair market value of the marketable securities was \$12,403,834 (cost - \$11,984,826).

8. Long-term investments

	2021	2020
All Nations Trust Company, at cost	\$ 36,000	\$ 36,000
Note receivable from 1149296 Limited Partnership, at cost	418,175	418,175
Stuwix Resources Joint Venture	662,721	527,120
Upper Nicola Holdings Limited Partnership	300,113	251,716
	\$ 1,417,009	\$ 1,233,011

In 2019, Nicola Valley Indian Services Association was restructured and Upper Nicola Band now holds a loan receivable from 1149296 Limited Partnership. The note receivable is non-interest bearing, and there are no set terms of repayment.

Upper Nicola Band has a non-controlling interest in Stuwix Resources Joint Venture. During the year, the Joint Venture paid, under normal terms of trade, \$1,089,702 (2020 - \$1,297,494) for contract services provided.

Upper Nicola Band wholly owns Upper Nicola Holdings Limited Partnership.

Upper Nicola Band

Notes to Consolidated Financial Statements

March 31, 2021

8. Long-term investments (continued)

Summary of the financial statements of Stuwix Resources Joint Venture and Upper Nicola Holdings Limited Partnership is as follows:

	Stuwix Resources Joint Venture	Upper Nicola Holdings Limited Partnership	2021 Total	2020 Total
Assets	\$ 10,935,432	\$ 311,212	\$ 11,246,644	\$ 9,770,472

Liabilities	\$ 5,831,430	\$ 11,098	\$ 5,842,528	\$ 5,499,560
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Equity	5,104,002	300,114	5,404,116	4,270,912
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Total liabilities and equity	\$ 10,935,432	\$ 311,212	\$ 11,246,644	\$ 9,770,472
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	Stuwix Resources Joint Venture	Upper Nicola Holdings Limited Partnership	2021 Total	2020 Total
Revenue	\$ 22,299,204	\$ 268,831	\$ 22,568,035	\$ 11,795,468
Cost of sales	20,102,588	-	20,102,588	10,897,254
Expenses	1,111,809	183,243	1,295,052	1,018,977
Total expenses	21,214,397	183,243	21,397,640	11,916,231
Net income	\$ 1,084,807	\$ 85,588	\$ 1,170,395	\$ (120,763)

9. Trust funds held by Ottawa

The Capital and Revenue funds are held in Ottawa and arise from monies derived from capital and revenue sources which the Crown considers are described in Section 62 of the Indian Act. These funds are held in trust by the Government of Canada and the Crown treats these funds as primarily governed by section 64 and 69 of the Indian Act. The Funds earn interest pursuant to section 61(2) of the Indian Act.

Upper Nicola Band

Notes to Consolidated Financial Statements

March 31, 2021

10. Deferred revenue

Deferred revenue represents funds received, that will be recognized as revenue in the next fiscal year, when the related expenses are incurred, or when the terms of the funding have been completed. The deferred revenue relates to the following funders:

	March 31, 2020	Funding received, 2021	Revenue recognized, 2021	March 31, 2021
Federal government				
ISC - ACRS 2018	\$ 91,763	\$ 266,589	\$ (91,763)	\$ 266,589
ISC - NAHS 2018-19 Septic Replacement	120,500	112,859	(120,500)	112,859
ISC - IR3 Site7 Subdivision ICMS 127751	706,473	412,945	(706,473)	412,945
ISC - Emergency Planning	52,464	-	(52,464)	-
ISC - Service Delivery	67,655	64,998	(67,655)	64,998
ISC - Elementary & Secondary Education	85,453	217,720	(85,453)	217,720
ISC - Comprehensive Comm Plan	5,916	-	(5,916)	-
ISC - Economic Development	-	64,959	-	64,959
ISC - Post secondary Education	-	11,640	-	11,640
ISC - Local Education tuition	-	86,243	-	86,243
ISC - Special Needs	-	64,912	-	64,912
ISC - Income assistance	-	85,349	-	85,349
	\$ 1,130,224	\$ 1,388,214	\$ (1,130,224)	\$ 1,388,214

Upper Nicola Band

Notes to Consolidated Financial Statements

March 31, 2021

11. Long-term debt

	2021	2020
Royal Bank of Canada demand loan bearing interest at 3.52% per annum, repayable in blended monthly instalments of \$1,802. Matures in full September 2023.	\$ 51,607	\$ 71,046
ANTCO promissory note, repaid in the year.	-	4,091
All Nations Trust Company (Phase 3 - #14539209003) mortgage bearing interest at 2.39% per annum, repayable in blended monthly instalments of \$2,579. The loan matures in full November 2022. The loan is secured by a ministerial guarantee.	50,522	79,885
All Nations Trust Company (Phase 4 - #19362060002) mortgage bearing interest at 0.74% per annum, repayable in blended monthly instalments of \$1,812. The loan has a renewal date of January 2026, and is scheduled to mature in full January 2026. The loan is secured by a ministerial guarantee.	103,242	123,949
All Nations Trust Company (Phase 5 - #19362060001) mortgage bearing interest at 1.30% per annum, repayable in blended monthly instalments of \$2,181. The loan has a renewal date of June 2022, and is scheduled to mature in full February 2027. The loan is secured by a ministerial guarantee.	148,978	173,053
All Nations Trust Company (Phase 6 - #19362060003) mortgage bearing interest at 0.69% per annum, repayable in blended monthly instalments of \$2,023. The loan has a renewal date of June 2025, and is scheduled to mature in full January 2030. The loan is secured by a ministerial guarantee.	207,962	230,536
All Nations Trust Company (Phase 7 - #19362060005) mortgage bearing interest at 1.86% per annum, repayable in blended monthly instalments of \$4,577. The loan has a renewal date of August 2022, and is scheduled to mature in full August 2042. The loan is secured by a ministerial guarantee.	970,285	1,006,902
Murray Chevrolet vehicle loan bearing interest at 5.99% per annum, repayable in blended monthly instalments of \$726. Matures in full November 2023.	21,411	28,597
Connect Okanagan Telephone equipment lease, bearing interest at 10.21% per annum, repayable in blended monthly payments of \$659. Final payment is due July 2023, at which time the company has the option to purchase the equipment for \$1 plus applicable taxes.	16,368	22,278
	<hr/> \$ 1,570,375	<hr/> \$ 1,740,337

Upper Nicola Band

Notes to Consolidated Financial Statements

March 31, 2021

11. Long-term debt (continued)

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

2022	\$ 169,395
2023	162,975
2024	126,683
2025	109,588
2026 and thereafter	1,001,734

\$ 1,570,375

Upper Nicola Band

Notes to Consolidated Financial Statements

March 31, 2021

12. Tangible Capital Assets

	Balance, beginning of year	Additions	Disposals, transfers or fully amortized assets	Balance, end of year	Cost	Accumulated amortization		
						beginning of year	Amortization	Balance, end of year
Land	\$ 32,594	-	\$ 32,594	\$ 32,594	\$ 32,594	\$ 32,594	\$ 104,376	\$ 32,594
Buildings	8,614,266	-	8,614,266	7,402,730	-	-	-	1,107,160
Automotive equipment	1,246,597	-	1,246,597	1,156,216	58,480	-	-	31,901
Furniture and equipment	1,619,740	153,122	-	1,772,862	1,449,979	161,444	-	161,439
Infrastructure	10,649,540	-	124,867	10,774,407	5,191,158	208,218	-	5,399,376
Infrastructure under construction	785,975	293,528	(124,867)	954,636	-	-	-	954,636
Social Housing Land	181,180	-	-	181,180	-	-	-	181,180
Social Housing Buildings	4,106,774	-	(24,160)	4,082,614	1,951,747	252,966	(24,160)	2,180,553
	<u>\$ 27,236,666</u>	<u>\$ 446,650</u>	<u>\$ (24,160)</u>	<u>\$ 27,659,156</u>	<u>\$ 17,151,830</u>	<u>\$ 785,484</u>	<u>\$ (24,160)</u>	<u>\$ 17,913,154</u>
								<u>\$ 9,746,002</u>
<hr/>								
	Balance, beginning of year	Additions	Disposals	Balance, end of year	Cost	Accumulated amortization		
						beginning of year	Amortization	Balance, end of year
Land	\$ 32,594	-	\$ 32,594	\$ 32,594	\$ 32,594	\$ 129,777	\$ -	\$ 32,594
Buildings	8,818,810	6,000	(210,544)	8,614,266	7,272,953	(162,858)	-	1,211,536
Automotive equipment	1,514,138	-	(267,541)	1,246,597	1,319,074	-	-	90,381
Furniture and equipment	1,592,809	26,931	-	1,619,740	1,388,743	61,236	-	169,761
Infrastructure	10,649,540	-	-	10,649,540	4,906,147	285,011	-	5,458,382
Infrastructure under construction	111,739	674,236	-	785,975	-	-	-	785,975
Social Housing Land	181,180	-	-	181,180	-	-	-	181,180
Social Housing Buildings	4,106,774	-	4,106,774	1,695,760	255,987	-	1,951,747	2,155,027
	<u>\$ 27,007,584</u>	<u>\$ 707,167</u>	<u>\$ (478,085)</u>	<u>\$ 27,236,666</u>	<u>\$ 16,582,677</u>	<u>\$ 569,153</u>	<u>\$ -</u>	<u>\$ 17,151,830</u>
								<u>\$ 10,084,836</u>

Upper Nicola Band

Notes to Consolidated Financial Statements

March 31, 2021

13. Accumulated Surplus

	2021	2020
		(Restated - note 2)
Operating Fund	\$ 16,389,709	\$ 12,401,634
Capital Fund	7,893,477	7,697,753
Investment Fund	1,454,200	1,233,011
Social Housing Fund	1,088,004	1,123,900
Trust Fund	144,253	140,415
	<hr/> \$ 26,969,643	<hr/> \$ 22,596,713

14. Contingent Liabilities

Government contributions related to programs of the Nation are subject to conditions regarding the expenditure of funds. The Nation's accounting records are subject to audit by the funding agencies. Should any instances be identified in which the amounts charged to the projects are not in accordance with the agreed terms and conditions, amounts would be refundable to the respective funding agencies. Adjustments to the financial statements as a result of these ministerial audits will be recorded in the period in which they become known.

15. Budget Information

The unaudited budget data presented in these consolidated financial statements is based upon information provided by management.

Amortization was not contemplated on development of the budget and has been recognized at the amount expensed in the current year.

Upper Nicola Band

Notes to Consolidated Financial Statements

March 31, 2021

16. Expenses by Object

For the year ended March 31	2021 Budget	2021 Actual	2020 Actual
Administration fees	\$ 270,289	\$ 230,733	\$ 347,495
Advertising	23,995	19,399	23,542
Amortization	-	785,484	836,694
Bad debts	30,256	153,742	-
Band member services	230,594	296,049	310,186
CMHC replacement reserve	36,108	36,108	71,219
Community meetings	5,000	6,500	-
Contracted services	465,761	453,208	198,767
Equipment purchase	101,020	1,407	1,551
Honorariums	389,876	295,937	238,610
Insurance	132,065	127,593	119,777
Interest and bank charges	11,720	41,811	53,619
Management Fees	41,517	12,355	29,755
Office expenses	88,341	91,668	33,392
Other expenses	1,577,943	761,476	431,424
Professional fees	4,546,898	611,937	921,614
Rent	102,590	100,079	63,379
Repairs and maintenance	363,863	369,676	370,530
Salaries, wages and benefits	4,318,947	3,653,058	3,387,724
Social Assistance	1,024,949	952,904	606,852
Supplies	425,069	336,393	345,208
Training and professional development	120,568	116,029	82,022
Travel	220,092	90,260	156,118
Tuition and Student Allowances	1,221,892	1,032,686	1,260,640
Utilities	258,053	229,751	187,988
	\$ 16,007,406	\$ 10,806,243	\$ 10,078,106

Included in Salaries, wages and benefits expense is \$126,035 (2020 - \$115,948) related to a defined contribution pension plan. The First Nation matches all permanent employees' contributions up to 8% of annual salary.

17. Comparative Amounts

Certain of the comparative amounts have been reclassified to conform with the presentation adopted in the current year.

Upper Nicola Band

Notes to Consolidated Financial Statements

March 31, 2021

18. Segmented information

	Administration			Amortization			Community and Social Services		
	2021 Budget	2021 Actual	2020 Actual	2021 Budget	2021 Actual	2020 Actual	2021 Budget	2021 Actual	2020 Actual
Revenues									
Indigenous Services Canada	\$ 598,050	\$ 693,413	\$ 4,031,143	\$ 572,980	\$ 3,962,532	\$ -	\$ -	\$ 2,322,358	\$ 2,346,646
Other revenue	3,313,195	4,031,143						1,270,322	793,295
Total revenue	3,911,245	4,724,556	4,535,512	-	-	-	3,592,680	3,139,941	2,044,745
Expenses									
Salaries, wages and benefits	850,083	717,011	750,423	-	-	-	952,919	873,134	794,905
Social Assistance	-	-	-	-	-	-	1,024,949	952,904	606,852
Other expenses	1,253,391	680,725	825,026	-	785,484	836,694	1,818,550	1,359,300	611,937
Total expenses	2,103,474	1,397,736	1,575,449	-	785,484	836,694	3,796,418	3,185,338	2,013,694
Annual surplus (deficit)	\$ 1,807,771	\$ 3,326,820	\$ 2,953,013	\$ -	\$ (785,484)	\$ (836,694)	\$ (203,738)	\$ (45,397)	\$ 31,051
Revenues									
Indigenous Services Canada	\$ 56,883	\$ 16,924	\$ 13,686	\$ 1,997,565	\$ 242,624	\$ 1,774,820	\$ 1,949,220	\$ -	\$ -
First Nations Education Steering Committee	-	-	-	324,069		214,239			
Forestry	-	(19,427)	-	-	157,119	202,114	142,197	1,020,308	1,017,601
Other revenue	83,500						237,879	56,195	1,414,570
Total revenue	140,383	(2,503)	13,686	2,397,308	2,301,003	2,305,656	1,258,187	1,073,796	1,577,514
Expenses									
Salaries, wages and benefits	-	60	-	850,483	752,920	696,645	31,000	508	73,905
Tuition and Student Allowances	-	-	-	1,210,492	1,025,129	1,260,640	-	-	-
Other expenses	152,383	35,015	21,048	452,525	262,629	251,191	110,742	224,281	213,660
Total expenses	152,383	35,075	21,048	2,513,500	2,040,678	2,208,476	141,742	224,789	287,565
Annual surplus (deficit)	\$ (12,000)	\$ (37,578)	\$ (7,362)	\$ (116,192)	\$ 260,325	\$ 97,180	\$ 1,116,445	\$ 849,007	\$ 1,289,949

Upper Nicola Band

Notes to Consolidated Financial Statements

March 31, 2021

18. Segmented information (continued)

	2021 Budget	2021 Actual	Health 2020 Actual	2020 Budget	2021 Budget	Housing 2021 Actual	2020 Actual	2021 Budget	2021 Actual	Language and culture 2021 Actual	2020 Actual
Revenues											
Indigenous Services Canada	\$ 1,353,154	\$ 1,524,049	\$ 1,502,205	\$ 68,048	\$ 68,048	\$ 387,367	\$ 463,491	\$ 393,340	\$ 316,482	\$ 298,006	\$ -
First Nations Health Authority	57,200	124,430	145,190								
Other revenue											
Total revenue	1,410,354	1,648,479	1,647,395	455,415	531,539	461,388	316,482	298,006	74,872		
Expenses											
Salaries, wages and benefits	594,552	592,230	572,001	142,129	124,477	113,162	227,731	199,358	78,904		
Tuition and Student Allowances	-	57	-	-	-	-	11,400	7,500	-		
Other expenses	734,633	813,045	752,002	199,402	296,503	293,537	137,351	97,820	26,472		
Total expenses	1,329,185	1,405,332	1,324,003	341,531	420,980	406,699	376,482	304,678	105,376		
Annual surplus (deficit)	\$ 81,169	\$ 243,147	\$ 323,392	\$ 113,884	\$ 110,559	\$ 54,689	\$ (60,000)	\$ (6,672)	\$ (30,504)		
Other											
	2021 Budget	2021 Actual	2020 Actual	2021 Budget	2021 Actual	2020 Actual	2021 Budget	2021 Actual	2020 Actual	Capital Fund 2021 Actual	2020 Actual
Revenues											
Indigenous Services Canada	\$ 44,726	\$ 44,726	\$ 52,165	\$ 91,589	\$ 1,064,088	\$ 819,418	\$ 958,480	\$ 517,092	\$ 486,748	\$ 826,380	
Other revenue	112,774	55,083									
Total revenue	157,500	99,809	143,754	1,064,088	819,418	958,480	433,592	506,175	865,837		
Expenses											
Salaries, wages and benefits	58,500	13,366	24,268	604,078	374,247	281,783					
Other expenses	117,255	114,054	118,465	865,819	389,877	709,127	3,590,487	105,912	159,124		
Total expenses	175,755	127,420	142,733	1,469,897	764,124	990,910	3,590,487	105,912	159,124		
Annual surplus (deficit)	\$ (18,255)	\$ (27,611)	\$ 1,021	\$ (405,809)	\$ 55,294	\$ (32,430)	\$ (3,156,895)	\$ 400,263	\$ 706,713		

Upper Nicola Band

Notes to Consolidated Financial Statements

March 31, 2021

18. Segmented information (continued)

	Property Tax			Consolidated totals		
	2021 Budget	2021 Actual	2020 Actual	2021 Budget	2021 Actual	2020 Actual
Revenues						
Indigenous Services Canada	\$ -	\$ -	\$ -	\$ 5,604,722	\$ 5,431,325	\$ 4,847,895
First Nations Health Authority	-	-	-	1,353,154	1,524,049	1,502,205
First Nations Education Steering Committee	-	-	-	242,624	324,069	214,239
Forestry	-	-	-	1,020,308	1,017,601	1,414,570
Local revenue - fees	37,267	38,954	25,128	37,267	38,954	25,128
Other revenue	-	-	-	6,916,426	6,843,175	6,649,930
Total revenue	37,267	38,954	25,128	15,174,501	15,179,173	14,653,967
Expenses						
Salaries, wages and benefits	3,011	2,932	1,728	4,314,486	3,650,243	3,387,724
Tuition and Student Allowances	-	-	-	1,221,892	1,032,686	1,260,640
Social Assistance	-	-	-	1,024,949	952,904	606,852
Other expenses	13,541	5,765	4,608	9,446,079	5,170,410	4,822,891
Total expenses	16,552	8,697	6,336	16,007,406	10,806,243	10,078,107
Annual surplus (deficit)	\$ 20,715	\$ 30,257	\$ 18,792	\$ (832,905)	\$ 4,372,930	\$ 4,575,860

Upper Nicola Band

Notes to Consolidated Financial Statements

March 31, 2021

19. Segments

Administration

Includes general operations, support, and financial management of the Nation.

Community and Social Services

Includes revenue and expenditures related to community and social services.

Economic Development

Includes revenue and expenditures related to pursuit of economic development opportunities.

Education

Includes revenue and expenditures related to education programs.

Forestry

Includes revenue and expenditures related to forestry projects and licenses.

Health

Includes revenue and expenditures related to health programs.

Housing

Includes revenue and expenditures related to Social Housing programs carried on by the Nation.

Language and culture

Includes revenue and expenditures related to language and culture programs.

Title and rights

Includes revenue and expenditures related to title and rights.

Capital Fund

Includes revenue and expenditures related to capital projects.

Property Tax

Includes revenue and expenditures related to administration of property tax.