

Consolidated Financial Statements of

BURNS LAKE BAND

And Independent Auditors' Report thereon

Year ended March 31, 2021

BURNS LAKE BAND

Table of Contents

	Page
• Management Responsibility Statement	
• Independent Auditors' Report	
• Financial Statements of Burns Lake Band	
• Consolidated Statement of Financial Position	1
• Consolidated Statement of Operations	2
• Consolidated Statement of Changes in Net Financial Assets	3
• Consolidated Statement of Cash Flows	4
• Notes to Consolidated Financial Statements	5 - 21

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

Executive Operations Director



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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, 2021
- 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, 2021 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 not able to obtain sufficient appropriate audit evidence about the completeness of the Rainbow Gas Bar sales for the year ended March 31, 2021 because the Band was not able to reconcile and provide sufficient financial information for the revenue. Accordingly, verification of these revenues was limited to the amounts recorded in the records of the Band.

We were not able to observe the counting of the physical inventories at the beginning of March 31, 2021 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:

- current assets reported in the consolidated statement of financial position as at March 31, 2020 and 2021
- the Rainbow Gas Bar sales reported in the consolidated statement of financial operations for the year ended March 31, 2021
- the economic development expenses reported in the consolidated statement of operations for the year ended March 31, 2020 and 2021



Page 2

- the consolidated statement of changes in net financial assets for the year ended March 31, 2020 and 2021
- the annual surplus reported in the consolidated statement of cash flows for the year ended March 31, 2020 and 2021
- the components of cash flows from operating activities reported in the consolidated statement of cash flows for the year ended March 31, 2020 and 2021

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

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.

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.



Page 3

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.
- 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, slightly slanted style. Below the signature is a horizontal line that starts under the 'K' and ends under the 'P', with a small upward tick at the end.

Chartered Professional Accountants

Prince George, Canada

February 9, 2023

BURNS LAKE BAND

Consolidated Statement of Financial Position

March 31, 2021, with comparative information for 2020

	2021	2020
Financial assets:		
Cash	\$ 8,137,165	\$ 4,075,224
Accounts receivable (note 2)	2,181,045	2,927,856
Restricted cash (note 3)	551,530	546,764
Inventories (note 4)	-	71,112
Investments (note 5)	361,404	361,404
Ottawa Trust Fund (note 6)	418,857	372,474
Four Rivers Co-operative equity, at cost	63,397	85,849
	<u>11,713,398</u>	<u>8,440,683</u>
Financial Liabilities:		
Accounts payable and accrued liabilities (note 7)	479,051	433,102
Replacement reserves	59,241	53,738
Deferred revenue (note 8)	152,730	87,175
Long-term debt (note 9)	7,053,789	7,436,950
	<u>7,744,811</u>	<u>8,010,965</u>
Net financial assets	3,968,587	429,718
Non-financial assets:		
Prepaid expenses	51,308	51,434
Tangible capital assets (note 10)	10,170,054	10,107,573
	<u>10,221,362</u>	<u>10,159,007</u>
Subsequent event (note 12)		
Contingent liabilities (note 13)		
Accumulated surplus	\$ 14,189,949	\$ 10,588,725

See accompanying notes to consolidated financial statements.

On behalf of Chief and Council



BURNS LAKE BAND

Consolidated Statement of Operations

Year ended March 31, 2021, with comparative information for 2020

	2021	2020
Revenue (note 16):		
BC First Nations Gaming Revenue Sharing Limited Partnership	\$ 285,496	\$ 262,005
Canada Mortgage and Housing Corporation	1,109,284	18,381
Carrier Sekani Family Services	192,623	172,665
Carrier Sekani Tribal Council	5,500	64,630
First Nations Health Authority	110,288	180,070
Indigenous Services Canada	1,122,101	461,344
Key-oh Lodge room sales	961,285	1,206,263
Ministry of Children and Family Development	433,817	384,270
Other income (note 11)	825,401	1,608,444
Ottawa Trust Fund	46,383	47,385
Prince George Nechako Aboriginal Employment and Training Association	36,731	36,619
Province of British Columbia	2,491,073	2,409,954
Rainbow Gas Bar sales	177,810	1,994,725
Rental income	52,074	111,957
Taxation	625,497	573,617
	<u>8,475,363</u>	<u>9,532,329</u>
Expenses (note 16):		
Administration	829,930	983,304
Capital development	882,689	931,898
Community health	196,272	179,843
Daycare and children	480,269	539,605
Economic development	1,814,848	4,554,443
Education	303,189	163,034
Housing	30,180	15,623
Public works	252,298	278,389
Social services	55,503	47,734
	<u>4,845,178</u>	<u>7,693,873</u>
Earnings before the undernoted item	3,630,185	1,838,456
Indigenous Services Canada recoveries	(28,961)	-
Annual surplus	3,601,224	1,838,456
Accumulated surplus, beginning of year	10,588,725	8,750,269
Accumulated surplus, end of year	<u>\$ 14,189,949</u>	<u>\$ 10,588,725</u>

See accompanying notes to consolidated financial statements.

BURNS LAKE BAND

Consolidated Statement of Changes In Net Financial Assets

Year ended March 31, 2021, with comparative information for 2020

	Total 2021	Total 2020
Annual surplus	\$ 3,601,224	\$ 1,838,456
Acquisition of tangible capital assets	(375,210)	(158,157)
Amortization	312,729	316,335
Change in prepaid expenses	126	(10,997)
Increase in net financial assets	3,538,869	1,985,637
Net financial assets (debt), beginning of year	429,718	(1,555,919)
Net financial assets, end of year	\$ 3,968,587	\$ 429,718

See accompanying notes to consolidated financial statements.

BURNS LAKE BAND

Consolidated Statement of Cash Flows

Year ended March 31, 2021, with comparative information for 2020

	2021	2020
Cash provided by (used in):		
Operations:		
Annual surplus	\$ 3,601,224	\$ 1,838,456
Items not involving cash:		
Amortization	312,729	316,335
Loan forgiveness	(13,855)	(1,079,074)
	3,900,098	1,075,717
Changes in non-cash operating working capital:		
Accounts receivable	746,811	(2,275,465)
Restricted cash	(4,766)	(4,685)
Inventories	71,112	-
Prepaid expenses	126	(10,997)
Ottawa Trust Fund	(46,383)	(47,385)
Four Rivers Co-operative equity	22,452	(34,530)
Accounts payable and accrued liabilities	45,949	196,773
Replacement reserves	5,503	5,772
Deferred revenue	65,555	58,925
	4,806,457	(1,035,875)
Financing:		
Repayment of long-term debt	(369,306)	(271,072)
Investing:		
Acquisition of tangible capital assets	(375,210)	(158,157)
Increase (decrease) in cash	4,061,941	(1,465,104)
Cash, beginning of year	4,075,224	5,540,328
Cash, end of year	\$ 8,137,165	\$ 4,075,224

See accompanying notes to consolidated financial statements.

BURNS LAKE BAND

Notes to Consolidated Financial Statements

Year ended March 31, 2021

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, 2021

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, 2021

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, 2021

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, 2021

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, 2021

2. Accounts receivable:

	2021	2020
Resource and funding agencies	\$ 2,123,003	\$ 2,726,322
Trade and other	35,477	194,205
Member advances	25,940	26,369
GST	24,793	28,691
Allowance for doubtful accounts	(28,168)	(47,731)
	\$ 2,181,045	\$ 2,927,856

3. Restricted cash:

	2021	2020
Bank of Montreal loan security	\$ 469,217	\$ 464,588
Social housing replacement reserve	54,225	54,121
Social housing operations reserve	28,088	28,055
	\$ 551,530	\$ 546,764

The funds are restricted for the following purposes:

- A term deposit held with the Bank of Montreal securing the operating lines for the Rainbow Gas Bar.
- Social Housing Replacement Reserve funds can only be utilized under the terms of the respective Canada Mortgage and Housing Corporation agreements. As at March 31, 2021, the replacement reserve cash account is under-funded by \$5,016 (2020 - over-funded by \$383).

4. Inventories:

	2021	2020
Fuel	\$ -	\$ 27,189
Tobacco	-	12,588
Other	-	31,335
	\$ -	\$ 71,112

Inventory was written down to net realizable value at March 31, 2022 as the Rainbow Gas Bar was winding down operations at that time (note 12).

BURNS LAKE BAND

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2021

5. Investments:

		2021		2020
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 prior 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	2021	2020
Balance, beginning of year	\$ 372,473	\$ 1	\$ 372,474	\$ 325,089
Interest	5,115	-	5,115	5,830
Additions	41,268	-	41,268	41,555
	\$ 418,856	\$ 1	\$ 418,857	\$ 372,474

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, 2021

7. Accounts payable and accrued liabilities:

	2021		2020	
Trade accounts payable and accrued liabilities	\$	310,322	\$	285,118
Wages and benefits		74,816		77,615
Receiver General		28,243		17,007
GST payable		65,670		53,362
	\$	479,051	\$	433,102

8. Deferred revenue:

	Balance, beginning of year	Contributions	Revenue recognized	Balance, end of year
Ministry of Children and Family Development - Prevention and Family Support	\$ 30,000	\$ 30,000	\$ 7,684	\$ 52,316
First Nations Health Authority - Headstart	41,808	78,080	28,549	91,339
First Nations Health Authority - Skills Link	15,367	-	6,292	9,075
	\$ 87,175	\$ 108,080	\$ 42,525	\$ 152,730

BURNS LAKE BAND

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2021

9. Long-term debt:

	2021	2020
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, due January 2038.	\$ 6,763,334	\$ 7,053,742
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, renewal due February 2024.	290,455	309,353
Royal Bank of Canada non-revolving term loan. Repaid during the year.	-	60,000
Tribal Resource Investment Corporation term loan. Forgiven during the year.	-	13,855
	<u>\$ 7,053,789</u>	<u>\$ 7,436,950</u>

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

2022	\$ 317,497
2023	328,258
2024	339,390
2025	350,908
2026	362,824
Thereafter	5,354,912
	<u>\$ 7,053,789</u>

BURNS LAKE BAND

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2021

10. Tangible capital assets:

	2021					
	Land	Building	Machinery and equipment	Vehicles	Paving	Total
Cost						
Balance, beginning of year	\$ 83,500	\$ 9,787,545	\$ 980,622	\$ 398,042	\$ 1,117,648	\$ 12,367,357
Additions	22,779	342,931	9,500	-	-	375,210
Balance, end of year	106,279	10,130,476	990,122	398,042	1,117,648	12,742,567
Accumulated amortization						
Balance, beginning of year	-	1,343,355	476,961	335,670	103,798	2,259,784
Amortization expenses	-	208,634	65,081	18,711	20,303	312,729
Balance, end of year	-	1,551,989	542,042	354,381	124,101	2,572,513
Net book value, end of year	\$ 106,279	\$ 8,578,487	\$ 448,080	\$ 43,661	\$ 993,547	\$ 10,170,054

BURNS LAKE BAND

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2021

10. Tangible capital assets (continued):

	2020					
	Land	Building	Machinery and equipment	Vehicles	Paving	Total
Cost						
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
Accumulated amortization						
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, 2021

11. Other income:

	2021	2020
BC Oil and Gas Commission	\$ 20,000	\$ 20,000
Burns Lake Community Forest	161,870	368,047
Coastal Gas Link	161,539	40,592
Daycare fees	27,612	41,912
Government of Canada - treaty loan forgiveness	-	1,079,074
Interest	16,072	19,988
BC Aboriginal Child Care Society	31,309	-
Summit Camps	243,835	8,507
Other	163,164	30,324
	<u>\$ 825,401</u>	<u>\$ 1,608,444</u>

12. Subsequent event:

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

13. 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.

14. 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, 2021

15. Comparative information:

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.

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, 2021

16. Segmented information (continued):

	2021									
	Administration	Capital Development	Community Health	Daycare and Children	Economic Development	Education	Housing	Public Works	Social Services	Total
Revenue:										
Canada Mortgage and Housing Corporation	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	1,109,284	\$ -	\$ -	1,109,284
Indigenous Services Canada	447,465	-	-	-	15,000	331,679	-	167,573	160,384	1,122,101
Carrier Sekani Family Services	-	-	192,623	-	-	-	-	-	-	192,623
First Nations Health Authority	-	-	45,062	65,226	-	-	-	-	-	110,288
Ottawa Trust Fund	46,383	-	-	-	-	-	-	-	-	46,383
Other income	8,339	-	-	58,921	728,544	11,400	18,197	-	-	825,401
Rent	-	4,025	-	-	18,868	-	3,600	25,581	-	52,074
Prince George Nechako Aboriginal Employment and Training Association	-	-	-	-	-	36,731	-	-	-	36,731
Carrier Sekani Tribal Council	-	5,500	-	-	-	-	-	-	-	5,500
Province of British Columbia	1,000	400,573	5,000	15,587	1,999,933	68,980	-	-	-	2,491,073
Rainbow Gas Bar sales	-	-	-	-	177,810	-	-	-	-	177,810
Taxation	-	-	-	-	625,497	-	-	-	-	625,497
Key-oh Lodge room sales	-	-	-	-	961,285	-	-	-	-	961,285
Ministry of Children and Family Development	-	-	7,684	426,133	-	-	-	-	-	433,817
BC First Nations Gaming Revenue Sharing Limited Partnership	-	-	-	-	285,496	-	-	-	-	285,496
Total revenue	503,187	410,098	250,369	565,867	4,812,433	448,790	1,131,081	193,154	160,384	8,475,363

BURNS LAKE BAND

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2021

16. Segmented information (continued):

	2021									
	Administration	Capital Development	Community Health	Daycare and Children	Economic Development	Education	Housing	Public Works	Social Services	Total
Expenses:										
Amortization	-	312,729	-	-	-	-	-	-	-	312,729
Bank charges and interest	5,303	238,239	-	4	31,966	-	3,951	-	-	279,463
Equipment purchases	1,238	-	-	4,150	4,413	-	10,251	4,226	-	24,278
Honoraria	15,752	-	-	-	34,018	-	-	-	-	49,770
Insurance	61,829	-	-	-	25,550	-	4,100	2,118	-	93,597
Materials and supplies	31,072	-	4,953	56,191	319,367	19,055	-	32,175	-	462,813
Other	141,293	14,682	78,909	4,609	239,532	211,945	-	-	55,503	746,473
Professional fees	101,433	116,453	-	100	197,612	-	5,500	4,104	-	425,202
Rent	4,924	-	-	20,531	6,500	-	-	1,521	-	33,476
Repairs and maintenance	47,638	39,960	-	1,256	18,737	-	6,378	14,876	-	128,845
Telephone and utilities	19,153	-	1,178	1,062	129,246	850	-	116,489	-	267,978
Travel and training	60,344	86,563	34,784	5,926	5,045	22,616	-	-	-	215,278
Wages and benefits	339,951	74,063	76,448	386,440	802,862	48,723	-	76,789	-	1,805,276
Total expenses	829,930	882,689	196,272	480,269	1,814,848	303,189	30,180	252,298	55,503	4,845,178
Revenue over expenditures	(326,743)	(472,591)	54,097	85,598	2,997,585	145,601	1,100,901	(59,144)	104,881	3,630,185
Transfers	(8,244)	(30,000)	20,524	9,476	-	-	8,244	-	-	-
Indigenous Services Canada recoveries	(3,462)	-	-	-	-	-	-	-	(25,499)	(28,961)
Surplus (deficit)	\$ (338,449)	\$ (502,591)	\$ 74,621	\$ 95,074	\$ 2,997,585	\$ 145,601	\$ 1,109,145	\$ (59,144)	\$ 79,382	\$ 3,601,224

BURNS LAKE BAND

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2021

16. Segmented information (continued):

2020										
	Administration	Capital Development	Community Health	Daycare and Children	Economic Development	Education	Housing	Public Works	Social Services	Total
Revenue:										
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	-	-	-	136,272	43,798	-	-	-	-	180,070
Ottawa Trust Fund	47,385	-	-	-	-	-	-	-	-	47,385
Other income	32,454	368,047	-	41,913	1,165,850	-	180	-	-	1,608,444
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	-	15,370	2,001,899	2,500	-	-	-	2,409,954
Rainbow Gas Bar sales	-	-	-	-	1,994,725	-	-	-	-	1,994,725
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
Total revenue	250,488	769,357	172,665	577,825	7,334,882	175,887	22,961	153,393	74,871	9,532,329

BURNS LAKE BAND

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2021

16. Segmented information (continued):

	2020									
	Administration	Capital Development	Community Health	Daycare and Children	Economic Development	Education	Housing	Public Works	Social Services	Total
Expenses:										
Impairment on investment	-	-	-	-	1,500,000	-	-	-	-	1,500,000
Amortization	-	316,335	-	-	-	-	-	-	-	316,335
Bank charges and interest	15,138	355,089	-	195	45,114	-	4,434	-	-	419,970
Equipment purchases	1,408	2,697	-	1,940	8,787	-	-	5,265	-	20,097
Honoraria	37,650	-	-	-	13,216	-	-	-	-	50,866
Insurance	52,532	-	-	-	22,885	-	-	2,337	-	77,754
Materials and supplies	60,666	2,447	1,232	66,542	1,733,846	4,164	-	12,614	-	1,881,511
Other	20,063	8,749	40,928	7,821	252,961	143,320	-	-	47,681	521,523
Professional fees	115,445	3,662	-	1,625	91,452	-	5,400	74,368	-	291,952
Rent	6,444	-	8,000	20,201	22,812	3,251	-	1,569	-	62,277
Repairs and maintenance	2,362	35,558	-	6,133	19,683	-	5,789	35,338	-	104,863
Telephone and utilities	12,568	-	1,256	1,445	131,816	140	-	84,673	-	231,898
Travel and training	201,404	130,017	61,857	2,777	27,389	11,494	-	967	-	435,905
Wages and benefits	457,624	77,344	66,570	430,926	684,482	665	-	61,258	53	1,778,922
Total expenses	983,304	931,898	179,843	539,605	4,554,443	163,034	15,623	278,389	47,734	7,693,873
Revenue over expenditures	(732,816)	(162,541)	(7,178)	38,220	2,780,439	12,853	7,338	(124,996)	27,137	1,838,456
Transfers	212,287	(400,075)	-	-	64,445	-	-	123,343	-	-
Surplus (deficit)	\$ (520,529)	\$ (562,616)	\$ (7,178)	\$ 38,220	\$ 2,844,884	\$ 12,853	\$ 7,338	\$ (1,653)	\$ 27,137	\$ 1,838,456