

Tsal'ah
Consolidated Financial Statements
March 31, 2020

Management's Responsibility

Independent Auditor's Report

Consolidated Financial Statements

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Management's Responsibility

To the Members of Tsal'alh:

The accompanying consolidated financial statements of Tsal'alh are the responsibility of management and have been approved by the Chief and Council.

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

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

The Tsal'alh Council is responsible for overseeing management in the performance of its financial reporting responsibilities, and for approving the consolidated financial statements. The Council fulfils these responsibilities by reviewing the financial information prepared by management and discussing relevant matters with management and external auditors. The Council is also responsible for recommending the appointment of the Tsal'alh's external auditors.

MNP LLP is appointed by the Members to audit the consolidated financial statements and report directly to them; their report follows. The external auditors have full and free access to, and meet periodically and separately with, both the Council and management to discuss their audit findings.

April 20, 2021



Management

Independent Auditor's Report

To the Chief and Council of Tsal'alh:

Qualified Opinion

We have audited the consolidated financial statements of Tsal'alh, which comprise the consolidated statement of financial position as at March 31, 2020, and the consolidated statements of operations and accumulated surplus, changes in net financial assets (net debt), cash flows and the related schedules for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

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

Basis for Qualified Opinion

Tsal'alh derives a portion of its revenue from cash sales, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of this revenue was limited to the amounts recorded in the records of Tsal'alh and we were not able to determine whether any adjustments might be necessary to cash, revenue, assets and accumulated surplus.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of Tsal'alh 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 qualified opinion.

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 Tsal'alh'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 Tsal'alh or to cease operations, or has no realistic alternative but to do so.

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

Auditor's 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 auditor's 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 consolidated 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 Tsal'alh'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 Tsal'alh's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated 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 auditor's report. However, future events or conditions may cause Tsal'alh 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 Tsal'alh 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.

Kelowna, British Columbia

April 20, 2021

MNP LLP

Chartered Professional Accountants

Tsal'alh
Consolidated Statement of Financial Position
As at March 31, 2020

| | 2020 | 2019 |
|---|-------------------|--------------------|
| Financial assets | | |
| Cash and cash equivalents (Note 3) | 2,882,130 | 3,472,742 |
| Accounts receivable (Note 4) | 725,203 | 1,383,359 |
| Inventory for resale | 15,335 | 19,243 |
| Portfolio investments | 2,766,783 | 1,514,053 |
| Investment in Nation business entities (Note 5) | 2,137,935 | 495 |
| Funds held in trust (Note 6) | 1,036,834 | 1,018,543 |
| Total financial assets | 9,564,220 | 7,408,435 |
| Liabilities | | |
| Accounts payable and accruals (Note 7) | 1,335,936 | 1,323,244 |
| Deferred revenue (Note 8) | 116,018 | 93,674 |
| Long-term debt (Note 9) | 1,465,791 | 12,637,418 |
| Capital lease obligations (Note 10) | 21,860 | 35,960 |
| Total of financial liabilities | 2,939,605 | 14,090,296 |
| Net financial assets (net debt) | 6,624,615 | (6,681,861) |
| Contingent liabilities (Note 11) | | |
| Commitments (Note 12) | | |
| Guarantees (Note 14) | | |
| Non-financial assets | | |
| Tangible capital assets (Note 20) (Schedule 1) | 13,700,086 | 25,449,924 |
| Prepaid expenses | 15,581 | 15,499 |
| Total non-financial assets | 13,715,667 | 25,465,423 |
| Accumulated surplus (Note 15) | 20,340,282 | 18,783,562 |

Approved on behalf of the Council



Chief



Councillor

Tsal'alh
Consolidated Statement of Operations and Accumulated Surplus
For the year ended March 31, 2020

| | <i>Schedules</i> | <i>2020 Budget (Note 16)</i> | <i>2020</i> | <i>2019</i> |
|--|------------------|--------------------------------------|-------------------|-------------|
| Revenue | | | | |
| Indigenous Services Canada | | 2,964,277 | 3,945,555 | 3,571,269 |
| Other revenue | | 2,367,907 | 1,081,536 | 3,837,899 |
| First Nations Health Authority | | 922,235 | 969,533 | 916,831 |
| Rental income | | 364,221 | 336,754 | 507,794 |
| Canada Mortgage and Housing Corporation | | 63,406 | 88,298 | 76,680 |
| BC Hydro | | - | 641,065 | 626,381 |
| Own source revenue | | - | 442,344 | 469,581 |
| Interest income | | 16,800 | 118,801 | 87,440 |
| Province of BC | | - | 67,262 | 36,766 |
| Forgiven debt | | - | - | 270,696 |
| Deferred revenue - current year | | - | (22,774) | (93,244) |
| Gain (loss) on investments | | - | (81,191) | - |
| Loss from investment in Nation business entities | | - | (646,779) | - |
| | | 6,698,846 | 6,940,404 | 10,308,093 |
| Program expenses | | | | |
| Band Administration | 3 | 807,358 | 1,023,107 | 1,056,656 |
| Band Owned Housing | 4 | 194,518 | 209,223 | 429,409 |
| CMHC Housing | 5 | - | 137,360 | 212,873 |
| Development Group | 6 | - | - | 3,608,295 |
| Economic Development | 7 | 1,199,260 | 482,659 | 587,687 |
| Education | 8 | 1,615,744 | 1,734,541 | 1,591,435 |
| Health | 9 | 846,411 | 778,328 | 653,275 |
| Land and Resources | 10 | 199,033 | 235,898 | 148,996 |
| Public Works | 11 | 229,941 | 775,985 | 662,036 |
| Social Development | 12 | 622,533 | 515,979 | 359,372 |
| | | 5,714,798 | 5,893,080 | 9,310,034 |
| Surplus | | | | |
| | | 984,048 | 1,047,324 | 998,059 |
| Accumulated surplus, beginning of year | | 18,783,562 | 18,783,562 | 17,785,503 |
| Change in accounting for certain subsidiaries (Note 2), (Note 5) | | - | 509,396 | - |
| Accumulated surplus, end of year | | 19,767,610 | 20,340,282 | 18,783,562 |

The accompanying notes are an integral part of these financial statements

Tsal'alh

Consolidated Statement of Changes in Net Financial Assets (Net Debt)

For the year ended March 31, 2020

| | 2020 Budget (Note 16) | 2020 | 2019 |
|--|--------------------------------------|--------------------|-------------|
| Annual surplus | 984,048 | 1,047,324 | 998,059 |
| Purchases of tangible capital assets | (150,000) | (979,153) | (1,282,294) |
| Amortization of tangible capital assets | - | 644,635 | 1,185,887 |
| Proceeds of disposal of tangible capital assets | - | - | 21,125 |
| Change in accounting for certain subsidiaries (Note 5) | - | 12,593,752 | - |
| Acquisition of prepaid expenses | - | (15,581) | (15,499) |
| Use of prepaid expenses | - | 15,499 | 15,662 |
| Change in net financial assets (net debt) | 834,048 | 13,306,476 | 922,940 |
| Net debt, beginning of year | (6,681,861) | (6,681,861) | (7,604,801) |
| Net financial assets (net debt), end of year | (5,847,813) | 6,624,615 | (6,681,861) |

Tsal'alh
Consolidated Statement of Cash Flows
For the year ended March 31, 2020

| | 2020 | 2019 |
|---|-------------|-------------|
| Cash provided by (used for) the following activities | | |
| Operating activities | | |
| Surplus | 1,047,324 | 998,059 |
| Non-cash items | | |
| Amortization | 644,635 | 1,185,887 |
| Decrease in investment in Nation business entity | - | 1,579 |
| Loss from investment in Nation business entities | 646,779 | - |
| | 2,338,738 | 2,185,525 |
| Changes in working capital accounts | | |
| Accounts receivable | (131,859) | 325,088 |
| Prepaid expenses | (6,276) | 163 |
| Inventory | 3,213 | 1,551 |
| Accounts payable and accruals | 234,378 | (63,530) |
| Deferred revenue | 22,774 | 71,361 |
| | 2,460,968 | 2,520,158 |
| Financing activities | | |
| Advances of long-term debt | 100,616 | 615,664 |
| Repayment of long-term debt | (151,431) | (516,751) |
| Repayment of capital lease obligations | (14,100) | - |
| | (64,915) | 98,913 |
| Capital activities | | |
| Purchases of tangible capital assets | (979,153) | (1,282,294) |
| Proceeds of disposal of tangible capital assets | - | 21,125 |
| | (979,153) | (1,261,169) |
| Investing activities | | |
| Increase in portfolio investments | (1,441,618) | - |
| Increase in funds held in trust | (18,291) | (24,672) |
| Proceeds on disposal of portfolio investments | - | 454,488 |
| Advances to related Nation business entities | (392,225) | - |
| Change in accounting for certain subsidiaries | (155,378) | - |
| | (2,007,512) | 429,816 |
| Increase (decrease) in cash resources | (590,612) | 1,787,718 |
| Cash resources, beginning of year | 3,472,742 | 1,685,024 |
| Cash resources, end of year (Note 19) | 2,882,130 | 3,472,742 |

1. Operations

Tsal'alh is a community government operating out of Shalalth, British Columbia. Tsal'alh is responsible for the well-being of its community and enacts legal policies and programs in the areas of Band Administration, Band Owned Housing, Economic Development, Education, Health, Lands and Resources, Public Works, and Social Development. Tsal'alh is also mandated to take actions to protect the well-being of members and the community and to establish cultural programs and undertake initiatives in economic development.

2. Significant accounting policies

These consolidated financial statements are the representations of management, prepared in accordance with Canadian public sector accounting standards as recommended by the Public Accounting Standards Board (PSAB) of CPA Canada. Significant accounting policies adopted by Tsal'alh are as follows:

Reporting entity

The financial statements consolidate the financial activities of all entities and departments comprising the Tsal'alh reporting entity, except for Tsal'alh business entities. Trusts administered on behalf of third parties by Tsal'alh are excluded from the Tsal'alh reporting entity.

The Tsal'alh has consolidated the assets, liabilities, revenue and expenses of the following entity:

- Tsal'alhmec Holding Corp.

A Tsal'alh business partnership, jointly controlled by Tsal'alh's Council and another party, but not dependent on Tsal'alh for their continuing operations, are included in the consolidated financial statements using the modified equity method. Under the modified equity method, the equity method of accounting is modified only to the extent that the business entity accounting principles are not adjusted to conform to those of Tsal'alh. Thus, Tsal'alh's investment in these entities is recorded at acquisition cost and is increased for the proportionate share of post acquisition earnings and decreased by post acquisition losses and distributions received. The entity accounted for by the modified equity basis is:

- Tsal'alh Development Corp and its subsidiary:
 - TDC-IVL Contracting Ltd.
 - TDC Contract Management Corp.
 - Sixxets Property Management Corp.
 - Crane's Landing RV Park Corp.
 - Lil'Tem' Mountain Hotel Corp.
- Tsal'alh Development Limited Partnership and its subsidiaries:
 - TDC Contract Management Limited Partnership
 - Sixxets Property Management Limited Partnership
 - Crane's Landing RV Park Limited Partnership
 - Lil'Tem' Mountain Hotel Limited Partnership
 - Lillooet's Finest Water Corp.

During the year it was determined that only Tsal'alhmec Holding Corp. was dependent on Tsal'alh, therefore all of the other entities are no longer consolidated. They are now accounted for by the modified equity basis, as disclosed in Note 5.

All inter-entity balances and transactions have been eliminated on consolidation.

2. Significant accounting policies *(Continued from previous page)*

Basis of presentation

Sources of revenue and expenses are recorded on the accrual basis of accounting. The accrual basis of accounting recognizes revenue as it becomes available and measurable; expenses are recognized as they are incurred and measurable as a result of the receipt of goods or services and the creation of a legal obligation to pay.

Cash and cash equivalents

Cash and cash equivalents include balances with banks and short-term investments with maturities of three months or less. Cash subject to restrictions that prevent its use for current purposes is included in restricted cash.

Portfolio investments

Long-term investments, marketable securities and guaranteed investment certificates in entities that are not owned, controlled or influenced by the Tsal'alh reporting entity are accounted for using the cost method. They are recorded at cost, less any provision for other than temporary impairment.

Funds held in Ottawa Trust Fund

Funds held in trust on behalf of Tsal'alh members by the Government of Canada in the Ottawa Trust Fund are reported on the consolidated statement of financial position with an offsetting amount in accumulated surplus. Trust monies consist of:

- Capital trust monies derived from non-renewable resource transactions on land or other Tsal'alh tangible capital assets; and
- Revenue trust monies generated primarily through land leasing transactions or interest earned on deposits held in trust.

Inventory for resale

Inventory is valued at the lower of cost and net realizable value. Cost is determined by the first-in, first-out (FIFO) method. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and selling costs.

Net financial assets (net debt)

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

Asset classification

Assets are classified as either financial or non-financial. Financial assets are assets that could be used to discharge existing liabilities or finance future operations. Non-financial assets are acquired, constructed or developed assets that do not normally provide resources to discharge existing liabilities but are employed to deliver government services, may be consumed in normal operations and are not for resale in the normal course of operations. Non-financial assets include tangible capital assets and prepaid expenses.

Tangible capital assets

Tangible capital assets are initially recorded at cost based on historical cost accounting records. Contributed tangible assets are recorded at their fair value at the date of contribution.

2. Significant accounting policies *(Continued from previous page)*

Capital lease

A lease that transfers substantially all of the benefits and risks of ownership is classified as a capital lease. At the inception of a capital lease, an asset and a payment obligation is recorded at the present value of the minimum lease payments. Assets under capital leases are amortized on a declining balance basis, over their estimated useful lives. All other leases are accounted for as operating leases and rental payments are expensed as incurred.

Amortization

Assets under construction are not amortized until the asset becomes available for use.

Tangible capital assets are amortized annually using the declining balance method at rates intended to amortize the cost of the assets over their estimated useful lives:

| | Rate |
|--|-------------|
| Buildings | 4 % |
| CMHC housing | 4 % |
| Infrastructure, subdivision and water system | 4 % |
| Equipment | 20 % |
| Computer and office equipment | 20 % |
| Assets under capital lease | 20 % |
| Vehicles | 30 % |

Long-lived assets

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

The First Nation performs impairment testing on long-lived assets held for use whenever events or changes in circumstances indicate that the carrying amount of an asset, or group of assets, may not be recoverable. Impairment losses are recognized when the asset's service potential is reduced. Impairment is measured as the amount by which the asset's carrying amount exceeds its fair value. Fair value is measured using quoted market prices. Any impairment is included in surplus for the year. Prices for similar items are used to measure fair value of long-lived assets. Tsal'alh does not perform impairment testing on its long-lived assets that are held for public administration and situated on its reserve land as it is not possible to determine their fair market value.

2. Significant accounting policies *(Continued from previous page)*

Revenue recognition

i) Government transfers

Tsal'alh recognizes a government transfer as revenue when the transfer is authorized and all eligibility criteria, if any, have been met. A government transfer with stipulations giving rise to an obligation that meets the definition of a liability is recognized as a liability. In such circumstances, Tsal'alh recognizes revenue as the liability is settled. Transfers of non-depreciable assets are recognized in revenue when received or receivable.

ii) Funds held in trust

Tsal'alh recognizes revenue of the Capital and Revenue Trust Fund at the time funds are contributed from the accounts held in Ottawa. Interest revenue is recognized when received.

iii) Canada Mortgage and Housing Corporation ("CMHC")

Tsal'alh recognizes a CMHC transfer as revenue when the transfer is authorized and all eligibility criteria, if any, have been met. A CMHC transfer with stipulations giving rise to an obligation that meets the definition of a liability is recognized as a liability. In such circumstances, Tsal'alh recognizes revenue as the liability is settled. Transfers of non-depreciable assets are recognized in revenue when received or receivable.

iv) Housing rental income

Rental revenue is recorded in the year it is earned. At the end of each year management evaluates whether rent revenue is collectible and records a bad debt expense and allowance for doubtful accounts for those amounts are designated as unlikely to be collected.

v) Own source and other revenue

Own source and other revenue is recognized when performance is completed, amounts are measurable and collection is reasonably assured.

vi) Investment income

Investment income reported on investments not subject to significant influence is recorded as revenue in the period earned.

Measurement uncertainty (use of estimates)

The preparation of consolidated 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 consolidated financial statements, and the reported amounts of revenue and expenses during the reporting period.

Accounts receivable are stated after evaluation as to their collectability and an appropriate allowance for doubtful accounts is provided where considered necessary. Provisions are made for slow moving and obsolete inventory. Amortization is based on the estimated useful lives of tangible capital assets. Liabilities for contaminated sites are based on the best information available regarding potentially contaminated sites that Tsal'alh is responsible for.

These estimates are reviewed periodically and, as adjustments become necessary, they are reported in surplus (deficit) in the periods in which they become known.

2. Significant accounting policies *(Continued from previous page)*

Liability for contaminated sites

A liability for remediation of a contaminated site is recognized at the best estimate of the amount required to remediate the contaminated site when contamination exceeding an environmental standard exists, Tsal'alh is either directly responsible or accepts responsibility, it is expected that future economic benefits will be given up, and a reasonable estimate of the amount is determinable. The best estimate of the liability includes all costs directly attributable to remediation activities and is reduced by expected net recoveries based on information available at March 31, 2020.

At each financial reporting date, Tsal'alh reviews the carrying amount of the liability. Any revisions required to the amount previously recognized is accounted for in the period revisions are made. Tsal'alh continues to recognize the liability until it is settled or otherwise extinguished. Disbursements made to settle the liability are deducted from the reported liability when they are made.

As at March 31, 2020, Tsal'alh's estimated liability for contaminated sites was \$nil.

Segments

Tsal'alh conducts its business through ten reportable segments: Band Administration, Band Owned Housing, CMHC Housing, Economic Development, Education, Health, Lands and Resources, Public Works, and Social Development. These operating segments are established by senior management to facilitate the achievement of Tsal'alh's long-term objectives to aid in resource allocation decisions, and to assess operational performance.

For each reported segment, revenue and expenses represent both amounts that are directly attributable to the segment and amounts that are allocated on a reasonable basis.

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

3. Cash and cash equivalents

(a) Included in cash and cash equivalents are externally restricted funds as follows:

| | 2020 | 2019 |
|---|------------------|-------------|
| Deferred revenue (Note 8) | 116,018 | 93,674 |
| Restricted by St'at'imc (PC) 2011 Trust Agreement | 400,302 | 400,302 |
| Restricted by CMHC Housing Agreement | 443,014 | 436,489 |
| Restricted by BC FN Gaming Revenue Sharing LP Agreement | 410,791 | - |
| | 1,370,125 | 930,465 |

The cash balance of \$400,302 (2019 - \$400,302) is externally restricted by The St'at'imc (PC) 2011 Trust agreement, of which Tsal'alh is a beneficiary.

The cash balance of \$443,014 (2019 - \$436,489) is externally restricted by the funding agreement between Tsal'alh and Canada Mortgage Housing Corporation (CMHC) to meet future subsidy requirements of income tested occupants.

(b) Lines of Credit

Tsal'alh has available to it the following lines of credit, all secured by a general security agreement including an overdraft lending agreement:

- A \$250,000 (2019 - \$250,000) revolving line of credit for Tsal'alh with interest charged at the Bank of Montreal prime rate plus 1% per annum, or 3.45% (2019 - 4.95%). At March 31, 2020, the outstanding line of credit balance was \$nil (2019 - \$nil).

Tsal'alh
Notes to the Consolidated Financial Statements
For the year ended March 31, 2020

4. Accounts receivable

| | 2020 | 2019 |
|--|----------------|------------------|
| Accounts receivable | 82,063 | - |
| Trade and other receivables | 730,113 | 1,496,704 |
| Dues from members and related associations | 256,091 | 273,094 |
| FNESC receivable | 11,827 | 95,174 |
| Canada Mortgage and Housing Corporation | 45,279 | 18,529 |
| Allowance for doubtful accounts | (400,170) | (500,142) |
| | 725,203 | 1,383,359 |

5. Investment in Nation business entities

Tsal'alh has investments in the following entities:

| | <i>Investment balance, beginning of year</i> | <i>Cost at transition</i> | <i>Additions (withdrawals)</i> | <i>Share of earnings (loss)</i> | <i>Total investment</i> |
|---|--|-------------------------------|------------------------------------|-------------------------------------|-----------------------------|
| | | | | | 2020 |
| Portfolio investments, at cost | | | | | |
| BC First Nations Gaming Revenue | - | - | 100 | - | 100 |
| Sharing Limited Partnership | - | - | 10 | - | 10 |
| BCFN GRS Inc. | - | - | 110 | - | 110 |
| First Nation Business Entity - Modified Equity: | | | | | |
| Tsal'alh Development Corporation | 495 | 568,663 | 345,584 | (785,021) | 129,721 |
| First Nation Business Partnership - Modified Equity: | | | | | |
| Tsal'alh Development Limited Partnership | - | 1,823,331 | 46,531 | 138,242 | 2,008,104 |
| | 495 | 2,391,994 | 392,225 | (646,779) | 2,137,935 |

Tsal'alh
Notes to the Consolidated Financial Statements
For the year ended March 31, 2020

5. Investment in Nation business entities *(Continued from previous page)*

Summary financial information for each Tsal'alh business entity, accounted for using the modified equity method, for their respective year-end is as follows:

| | <i>Tsal'alh Development Limited Partnership (Consolidated) As at December 31, 2019</i> | <i>Tsal'alh Development Corporation (Consolidated) December 31, 2019</i> |
|--------------------------------------|--|--|
| Assets | | |
| Cash | 485,915 | 21,213 |
| Term deposit | - | 188,888 |
| Accounts receivable | 307,549 | 5,520 |
| Goods and Services Tax receivable | - | 190,189 |
| Inventory | 695 | - |
| Prepaid expenses | 6,327 | 5,495 |
| Property, plant and equipment | 90,016 | 11,609,782 |
| Investments | - | 79,336 |
| Advances to related parties | 1,414,370 | 894,946 |
| Investment in partnerships | - | 2,131 |
| Total assets | 2,304,872 | 12,997,500 |
| Liabilities | | |
| Accounts payable and accruals | 298,851 | 9,108 |
| Current portion of long-term debt | - | 397,775 |
| Long-term debt | - | 10,488,541 |
| Advances from related parties | 65,176 | 7,064,670 |
| Total liabilities | 364,027 | 17,960,094 |
| Equity | 1,940,845 | (4,962,594) |
| Total revenue | 1,380,879 | 341,346 |
| Total expenses | 1,242,623 | 1,126,367 |
| Net income | 138,256 | (785,021) |

The Tsal'alh has guaranteed the following debt on behalf of its First Nation business enterprises:

Tsal'alh Development Corporation has the following long-term debt which Tsal'alh has issued a guarantee for repayment:

- Bank of Montreal - Due on demand; repayable in monthly instalments of \$5,461 including interest at prime + 1%; matures July 19, 2026; secured by a general security agreement. Tsal'alh has guaranteed \$381,432 (2019 – \$415,653) of this long-term debt. Payment under this guarantee, which will remain in place until July 19, 2026, is required on demand.
- Bank of Montreal - Due on demand; repayable in monthly instalments of \$3,770 including interest at prime + 1%; matures November 14, 2029; secured by a general security agreement. Tsal'alh has guaranteed \$368,885 (2019 – \$388,654) of this long-term debt. Payment under this guarantee, which will remain in place until July 19, 2026, is required on demand.
- Bank of Montreal - Due on demand; repayable in monthly instalments of \$27,451 including interest at 3.20%; matures April 30, 2020; secured by a general security agreement. Tsal'alh has guaranteed \$4,664,868 (2019 – \$4,721,224) of this long-term debt. Payment under this guarantee, which will remain in place until April 30, 2020, is required on demand.

5. Investment in Nation business entities *(Continued from previous page)*

- Bank of Montreal - Due on demand; repayable in monthly instalments of \$26,527 including interest at 3.75%; matures April 30, 2022; secured by a general security agreement. Tsal'alh has guaranteed \$4,633,320 (2019 – \$4,739,519) of this long-term debt. Payment under this guarantee, which will remain in place until April 30, 2022, is required on demand.
- Bank of Montreal - Due on demand; repayable in monthly instalments of \$4,947 plus interest at prime + 1%; matures October 3, 2040; secured by a general security agreement. Tsal'alh has guaranteed \$837,811 (2019 – \$855,763) of this long-term debt. Payment under this guarantee, which will remain in place until July 19, 2026, is required on demand.

Certain of the Tsal'alh's investee has a different year-end than March 31, 2020. The Tsal'alh uses the investee's year-end financial statements to account for its investment in this investee.

Tsal'alh
Notes to the Consolidated Financial Statements
For the year ended March 31, 2020

6. Funds held in trust

Capital and revenue trust monies are transferred to the Tsal'alh on the authorization of the Minister of Indigenous Services Canada, with the consent of the Tsal'alh's Council.

| | 2020 | 2019 |
|------------------------------------|------------------|------------------|
| Capital Trust | | |
| Balance, beginning and end of year | 8,774 | 8,774 |
| Revenue Trust | | |
| Balance, beginning of year | 1,009,769 | 985,097 |
| Additions | 18,291 | 24,672 |
| Balance, end of year | 1,028,060 | 1,009,769 |
| | 1,036,834 | 1,018,543 |

Ottawa Trust Funds

The Ottawa Trust accounts arise from monies derived 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*.

7. Accounts payable and accruals

| | 2020 | 2019 |
|--|------------------|------------------|
| Trade payables and other accrued liabilities | 984,251 | 886,296 |
| Accrued salaries and employee benefits payable | 346,552 | 357,774 |
| Taxes payable | 5,134 | 52,053 |
| Indigenous Services Canada | - | 27,121 |
| | 1,335,937 | 1,323,244 |

8. Deferred revenue

| | <i>Balance, beginning of year</i> | <i>Revenue received</i> | <i>Transferred to revenue</i> | <i>Balance, end of year</i> |
|---|---|-----------------------------|-----------------------------------|---------------------------------|
| Indigenous Services Canada - Social Development | 93,244 | 116,018 | 93,244 | 116,018 |
| Hotel revenue | 430 | - | 430 | - |
| | 93,674 | 116,018 | 93,674 | 116,018 |

Tsal'ah
Notes to the Consolidated Financial Statements
For the year ended March 31, 2020

9. Long-term debt

| | 2020 | 2019 |
|--|------------------|-------------------|
| Loan payable to All Nations Trust Company, repaid during the year. | - | 10,401 |
| All Nations Trust Company - PRE - 1997 Phase 5 Mortgage repayable in monthly instalments of \$1,697, including interest at 1.11% per annum; due for renewal January 1, 2021 and matures January 1, 2021; guaranteed by Indigenous Services Canada. | 16,879 | 36,929 |
| All Nations Trust Company - PRE - 1997 Phase 6 Mortgage repayable in monthly instalments of \$1,417, including interest at 1.11% per annum; due for renewal January 1, 2021 and matures January 1, 2021; guaranteed by Indigenous Services Canada. | 14,099 | 30,848 |
| All Nations Trust Company - Post - 1996 Full Phase 2 Mortgage repayable in monthly instalments of \$1,515, including interest at 1.11% per annum; due for renewal April 1, 2021 and matures March 1, 2031; guaranteed by Indigenous Services Canada. | 188,154 | 204,145 |
| All Nations Trust Company - Post - 1996 Full Phase 1 Mortgage repayable in monthly instalments of \$2,072, including interest at 1.03% per annum; due for renewal October 1, 2021 and matures August 1, 2026; guaranteed by Indigenous Services Canada. | 154,322 | 177,465 |
| All Nations Trust Company - PRE - 1997 Phase 7 Mortgage repayable in monthly instalments of \$2,219, including interest at 1.84% per annum; due for renewal June 1, 2022 and matures June 1, 2022; guaranteed by Indigenous Services Canada. | 58,655 | 83,956 |
| Bank of Montreal - Due on demand; repayable in monthly instalments of \$3,168 including interest at 3.75%; matures June 30, 2023; secured by a general security agreement. | 334,965 | 357,197 |
| Bank of Montreal - Due on demand; repayable in monthly instalments of \$147 including interest at 4.45%; matures April 1, 2024; secured by a general security agreement. | 17,675 | - |
| All Nations Trust Company - Post - 1996 Phase 3 Mortgage repayable in monthly instalments of \$2,918, including interest at 1.87% per annum; due for renewal May 1, 2024 and matures May 1, 2044; guaranteed by Indigenous Services Canada. | 681,042 | 615,664 |
| Bank of Montreal, change in accounting for certain subsidiaries | - | 855,763 |
| Bank of Montreal, change in accounting for certain subsidiaries | - | 415,653 |
| Bank of Montreal, change in accounting for certain subsidiaries | - | 4,739,519 |
| Bank of Montreal, change in accounting for certain subsidiaries | - | 4,721,224 |
| Bank of Montreal, change in accounting for certain subsidiaries | - | 388,654 |
| | 1,465,791 | 12,637,418 |

Tsal'alh
Notes to the Consolidated Financial Statements
For the year ended March 31, 2020

9. Long-term debt *(Continued from previous page)*

Principal repayments on long-term debt in each of the next five years, assuming long-term debt subject to refinancing is renewed, are estimated as follows:

| | Principal |
|------|-----------|
| 2021 | 142,140 |
| 2022 | 113,560 |
| 2023 | 95,891 |
| 2024 | 91,331 |
| 2025 | 93,442 |
| | <hr/> |
| | 536,364 |

Interest on long-term debt amounted to \$35,024 (2019 - \$433,436).

10. Capital lease obligations

| | 2020 | 2019 |
|---|---------------|--------|
| Obligation under capital lease payable in equal monthly instalments of \$1,196, maturing July 2022. | 21,860 | 35,960 |
| Less: current portion | 14,616 | 13,920 |
| | <hr/> | |
| | 7,244 | 22,040 |

Minimum lease payments related to the obligation under capital lease are as follows:

| | |
|-----------------------|--------|
| 2021 | 14,352 |
| 2022 | 7,508 |
| | <hr/> |
| Balance of obligation | 21,860 |
| Less: current portion | 14,616 |
| | <hr/> |
| | 7,244 |

11. Contingent liabilities

Tsal'alh has entered into contribution agreements with various federal government departments. Funding received under these contribution agreements is subject to repayment if Tsal'alh fails to comply with the terms and conditions of the agreements.

12. Commitments

Tsal'alh has committed to the construction of four new houses for Band Members. The total costs incurred to March 31, 2020 are included in assets under construction (Schedule 1).

Tsal'alh
Notes to the Consolidated Financial Statements
For the year ended March 31, 2020

13. Economic dependence

Tsal'alh receives a significant portion of its revenue from Indigenous Services Canada as a result of Treaties entered into with the Government of Canada. These treaties are administered by Indigenous Services Canada under the terms and conditions of the *Indian Act*. The ability of the Tsal'alh to continue operations is dependent upon the Government of Canada's continued financial commitments as guaranteed by these treaties.

14. Guarantees

As part of a residential mortgage special loan program, Tsal'alh has provided an on-reserve housing loan guarantee. The maximum amount payable under the guarantee at March 31, 2020 was \$1,000,000 (2019 - \$1,000,000) which is payable if the Band Member's housing loan goes into default. The guarantee is in place for 10 years, which is the duration of the loan.

As at March 31, 2020, no liability (2019 - \$nil) has been recorded associated with this guarantee.

Tsal'alh has guaranteed CMHC RRAP loans on behalf of band members that are forgivable on the condition that Tsal'alh continues to own the unit and it is occupied by band members with a total household income at or below the income threshold during the earning period of the loans. If Tsal'alh sells, transfers or ceases to operate the property before the maturity date, the unearned forgivable loan plus interest will immediately become due and payable. The balance of the loans at March 31, 2020 is \$83,553 (2019 - \$167,105). No amount has been recorded by Tsal'alh.

15. Accumulated surplus

Accumulated surplus consists of restricted and unrestricted amounts and equity in tangible capital assets as follows:

| | 2020 | 2019 |
|--|--------------------|-------------|
| Investment in tangible capital assets | 12,212,435 | 12,776,545 |
| Restricted cash | 927,110 | 493,976 |
| Externally restricted portfolio investments | 443,014 | 436,489 |
| Trust funds held by federal government - capital account | 8,774 | 8,774 |
| Internally restricted surplus - BC Rail | 1,022,006 | 1,022,006 |
| Internally restricted surplus - St'at'imc Agreement - Community Fund | 5,641,567 | 5,229,167 |
| Investment in Nation business entities | 2,137,292 | 495 |
| Trust funds held by federal government - revenue account | 1,028,060 | 1,009,769 |
| | 23,420,258 | 20,977,221 |
| Unfunded deficit | (3,080,350) | (2,193,659) |
| | 20,339,908 | 18,783,562 |

16. Budget information

The disclosed budget information has been approved by the Chief and Council of Tsal'alh at the council meeting held on April 19, 2019. Certain budget figures have been reclassified to conform with current year's operations presented.

Budgets were not prepared for the following segments:

- CMHC Housing

As such, the budget figures in the Consolidated Statement of Operations and Accumulated Surplus are not presented for the same scope of activities as the actual results.

Budgeted figures in the Consolidated Statement of Operations and Accumulated Surplus are presented using the same basis of accounting as actual results for the remainder of the segments. A reconciliation of these amounts to the amounts budgeted is as follows:

| | |
|--|---------------------|
| Budgeted annual surplus approved by Chief and Council | 670,541 |
| Adjusted for: | |
| Capital purchases | 150,000 |
| Administration fees | 90,210 |
| Replacement reserve expenses | 51,563 |
| Transfers | 21,734 |
| <hr/> | |
| Budgeted annual surplus, per the Statement of Operations and Accumulated Surplus | <hr/> 984,048 <hr/> |

17. Comparative figures

Certain comparative figures have been reclassified to conform with current year's presentation.

18. Segments

Tsal'alh receives revenue and expenses from many different projects and sources. For management and reporting purposes, the revenue, expenses and surplus or deficits are organized by segments. Schedules 3 to 12 disclose the details of Tsal'alh's revenue and expenses by segment. All inter-departmental transactions have been eliminated upon consolidation and are therefore not included within the segments. Tsal'alh is organized into the following segments:

Band Administration

This segment provides band support, governance and administrative services for the operations of Tsal'alh, including various financial functions such as payroll, accounts receivable and accounts payable. Governance acts as a governing body through top down initiatives and it is responsible for the oversight of the collaboration of community development/economic programs, the facilitating of networks involving public and private partnerships, marketing and the allocation of resources to maintain the well-being of Tsal'alh community and its members.

Band Owned Housing

This segments activities reflect First Nation owned housing rental units and repairs.

CMHC Housing

This segments activities reflect Canada Mortgage & Housing Corporation housing rental units and repairs.

19. Segments *(Continued from previous page)*

Economic Development

This segment implements community economic development planning and capacity building initiatives, which are pursued to benefit Tsal'alh's community by enhancing employment, income generation activities, use of economic infrastructure and business opportunities.

Education

This segment is responsible for managing and delivering K to grade 12 education programs and services as well as the management of post-secondary and continuing adult education and support programs

Health

This segment is responsible for the operation of health facilities and the delivery of programs to support child development and community health.

Land and Resources

This segment uses land and resources of Tsal'alh to implement capital projects.

Public Works

This segment maintains community infrastructure owned by Tsal'alh. Community infrastructure includes buildings, infrastructure, subdivision and water system.

Social Development

This segment administers benefits and services to individuals and families living on reserve who are in need of support. Department services include income assistance, assisted living, family violence prevention and awareness, and the national child benefit reinvestment.

19. Supplemental disclosure of cash flow information

During the year Tsal'alh paid cash for interest of \$35,024 (2019 - \$433,436) and received cash for interest of \$118,801 (2019 - \$87,440).

20. Tangible capital assets

The tangible capital assets reconciliation is included in Schedule 1.

Construction in progress includes 4 buildings currently being constructed with a carrying value of \$689,204. No amortization of this construction in progress has been recorded during the year because they are currently under construction.

Tsal'alh holds works of art and historical treasures of a cultural value, which have not been included in tangible capital assets due to the inability of estimating future benefits associated with such property.

21. Compliance with laws and regulations

Tsal'alh is required by the *First Nations Financial Transparency Act* to submit its consolidated financial statements to Indigenous Services Canada, and post its consolidated financial statements on a website within 120 days of the year-end. As the First Nation had not done this, it is not in compliance with this law. The potential effect of the non-compliance is unknown.

Tsal'ah
Schedule 1 - Consolidated Schedule of Tangible Capital Assets
For the year ended March 31, 2020

| | <i>Land</i> | <i>Buildings</i> | <i>Infrastructure, subdivision, and water system</i> | <i>Equipment</i> | <i>Computers and office equipment</i> | <i>Vehicles</i> | <i>Subtotal</i> |
|---|----------------|------------------|--|------------------|---|-----------------|-------------------|
| Cost | | | | | | | |
| Balance, beginning of year | 775,875 | 22,429,272 | 7,751,359 | 1,436,987 | 236,941 | 1,255,676 | 33,886,110 |
| Acquisition of tangible capital assets | 85,635 | - | - | - | - | 55,958 | 141,593 |
| Construction-in-progress | - | - | - | - | - | - | - |
| Transfer from construction in progress | - | - | - | - | - | - | - |
| Disposal of tangible capital assets | - | - | - | - | - | - | - |
| Transition to investment in Nation business partnership | (530,785) | (12,966,440) | - | (544,610) | - | (138,397) | (14,180,232) |
| Balance, end of year | 330,725 | 9,462,832 | 7,751,359 | 892,377 | 236,941 | 1,173,237 | 19,847,471 |
| Accumulated amortization | | | | | | | |
| Balance, beginning of year | - | 6,176,870 | 1,596,457 | 966,871 | 208,002 | 830,451 | 9,778,651 |
| Annual amortization | - | 203,319 | 246,196 | 37,530 | 5,788 | 101,544 | 594,377 |
| Transition to investment in Nation business partnership | - | (1,754,212) | - | (256,600) | - | (85,064) | (2,095,876) |
| Balance, end of year | - | 4,625,977 | 1,842,653 | 747,801 | 213,790 | 846,931 | 8,277,152 |
| Net book value of tangible capital assets | 330,725 | 4,836,855 | 5,908,706 | 144,576 | 23,151 | 326,306 | 11,570,319 |
| 2019 Net book value of tangible capital assets | 775,875 | 16,252,402 | 6,154,902 | 470,116 | 28,939 | 425,225 | 24,107,459 |

Tsal'ah
Schedule 1 - Consolidated Schedule of Tangible Capital Assets
For the year ended March 31, 2020

| | <i>Subtotal</i> | <i>CMHC housing</i> | <i>Assets under lease</i> | <i>Construction in progress</i> | <i>2020</i> | <i>2019</i> |
|---|-----------------|---------------------|-------------------------------|-------------------------------------|--------------|-------------|
| <hr/> | | | | | | |
| Cost | | | | | | |
| Balance, beginning of year | 33,886,110 | 2,714,987 | 76,560 | 673,212 | 37,350,869 | 36,089,700 |
| Acquisition of tangible capital assets | 141,593 | 164,956 | - | - | 306,549 | 609,082 |
| Construction-in-progress | - | - | - | 672,604 | 672,604 | 673,212 |
| Transfer from construction in progress | - | 656,612 | - | (656,612) | - | - |
| Disposal of tangible capital assets | - | - | - | - | - | (21,125) |
| Transition to investment in Nation business partnership | (14,180,232) | - | - | - | (14,180,232) | - |
| <hr/> | | | | | | |
| Balance, end of year | 19,847,471 | 3,536,555 | 76,560 | 689,204 | 24,149,790 | 37,350,869 |
| <hr/> | | | | | | |
| Accumulated amortization | | | | | | |
| Balance, beginning of year | 9,778,651 | 2,089,832 | 32,462 | - | 11,900,945 | 10,715,058 |
| Annual amortization | 594,377 | 41,438 | 8,820 | - | 644,635 | 1,185,887 |
| Transition to investment in Nation business partnership | (2,095,876) | - | - | - | (2,095,876) | - |
| <hr/> | | | | | | |
| Balance, end of year | 8,277,152 | 2,131,270 | 41,282 | - | 10,449,704 | 11,900,945 |
| <hr/> | | | | | | |
| Net book value of tangible capital assets | 11,570,319 | 1,405,285 | 35,278 | 689,204 | 13,700,086 | 25,449,924 |
| <hr/> | | | | | | |
| 2019 Net book value of tangible capital assets | 24,107,459 | 625,155 | 44,098 | 673,212 | 25,449,924 | |

Tsal'alh

Schedule 2 - Schedule of Consolidated Expenses by Object
For the year ended March 31, 2020

| | 2020 Budget (Note 16) | 2020 | 2019 |
|--|--------------------------------------|------------------|------------------|
| Consolidated expenses by object | | | |
| Administration fees | - | 5,896 | 8,679 |
| Advertising and promotion | 9,500 | 30,473 | 27,784 |
| Amortization | - | 644,635 | 1,185,887 |
| Bad debts | 4,000 | 1,378 | 141,703 |
| Bank charges and interest | 11,000 | 4,808 | 48,730 |
| Basic needs | 195,621 | 258,757 | 176,585 |
| Contracted services | 417,500 | 702,448 | 633,566 |
| Educational allowance | 224,700 | 225,309 | 73,100 |
| Equipment rentals and leases | 22,800 | 42,268 | 23,940 |
| Family support allowances | 70,328 | 194,458 | 84,204 |
| Fire protection | 1,000 | - | - |
| Fuel costs | 98,000 | 294,572 | 394,105 |
| Honouraria | 100,462 | 69,864 | 78,260 |
| IT and computer | 4,000 | 1,212 | - |
| Insurance | 138,462 | 111,736 | 186,463 |
| Interest on long-term debt | - | 35,024 | 433,436 |
| Office | 556,525 | 115,502 | 170,751 |
| Postage | - | - | 3,219 |
| Professional fees | 59,400 | 190,126 | 321,158 |
| Program education | 221,432 | 63,800 | 34,111 |
| Property tax | 14,000 | 12,128 | 23,512 |
| Provision for replacement reserve | - | 2,127 | 15,250 |
| Rent | 76,794 | 95,100 | 52,528 |
| Repairs and maintenance | 48,248 | 104,950 | 169,124 |
| Salaries and benefits | 1,727,829 | 1,496,674 | 3,150,689 |
| Social assistance | 25,000 | 43,566 | 76,420 |
| Supplies | 197,388 | 139,294 | 560,083 |
| Telephone and utilities | 170,033 | 158,658 | 350,250 |
| Travel and training | 496,253 | 278,405 | 384,651 |
| Tuition | 36,430 | 556,359 | 424,047 |
| Vehicle | 788,093 | 13,553 | 77,799 |
| | 5,714,798 | 5,893,080 | 9,310,034 |

Tsal'alh
Band Administration
Schedule 3 - Schedule of Revenue and Expenses
For the year ended March 31, 2020

| | 2020 Budget (Note 16) | 2020 | 2019 |
|--|--------------------------------------|------------------|------------------|
| Revenue | | | |
| Indigenous Services Canada | 232,075 | 387,084 | 390,418 |
| Other revenue | 960,325 | 83,396 | 190,913 |
| Gain (loss) on investments | - | (81,191) | - |
| Loss from investment in Nation business entities | - | (646,779) | - |
| Interest income | 16,800 | 115,782 | 59,779 |
| Province of BC | - | 53,298 | 14,191 |
| Forgiven debt | - | - | 46,373 |
| BC Hydro | - | 639,065 | 626,381 |
| | 1,209,200 | 550,655 | 1,328,055 |
| Expenses | | | |
| Administration fees (recoveries) | - | (90,812) | 600 |
| Advertising and promotion | 5,000 | 29,680 | 23,552 |
| Amortization | - | 22,282 | 27,720 |
| Bad debts (recoveries) | - | 1,378 | (6,870) |
| Bank charges and interest | 10,000 | 4,365 | 10,128 |
| Contracted services | 40,000 | 199,552 | 69,487 |
| Educational allowance | 30,000 | 14,050 | 13,700 |
| Equipment rentals and leases | 12,000 | 13,164 | 7,871 |
| Family support allowances | 15,800 | 32,185 | 32,009 |
| Honouraria | 58,600 | 42,725 | 43,958 |
| IT and computer | - | 75 | - |
| Insurance | 23,500 | 16,728 | 36,281 |
| Interest on long-term debt | - | 16,674 | 11,548 |
| Office | 33,000 | 76,223 | 37,800 |
| Professional fees | 50,000 | 188,264 | 170,651 |
| Property tax | 11,000 | 7,145 | 9,550 |
| Repairs and maintenance | - | 3,275 | 11,484 |
| Salaries and benefits | 332,558 | 326,517 | 349,558 |
| Social assistance | 25,000 | 18,727 | 20,782 |
| Supplies | 18,500 | 11,748 | 39,902 |
| Telephone and utilities | 31,300 | 11,353 | 10,247 |
| Travel and training | 111,100 | 77,809 | 135,734 |
| Vehicle | - | - | 964 |
| | 807,358 | 1,023,107 | 1,056,656 |
| Surplus (deficit) before transfers | 401,842 | (472,452) | 271,399 |
| Transfers between programs | - | (41,619) | (31,956) |
| Surplus (deficit) | 401,842 | (514,071) | 239,443 |

Tsal'alh
Band Owned Housing
Schedule 4 - Schedule of Revenue and Expenses
For the year ended March 31, 2020

| | 2020 Budget (Note 16) | 2020 | 2019 |
|---|--------------------------------------|----------------|-------------|
| Revenue | | | |
| Indigenous Services Canada | - | 492,196 | 337,592 |
| Rental income | 364,221 | 128,592 | 155,576 |
| Other revenue | - | 11,300 | 1,498 |
| Canada Mortgage and Housing Corporation | 63,406 | - | - |
| | 427,627 | 632,088 | 494,666 |
| Expenses | | | |
| Administration fees | - | - | 4,834 |
| Amortization | - | 48,371 | 49,137 |
| Bank charges and interest | 800 | - | - |
| Contracted services | 40,000 | 30,568 | 186,276 |
| Honouraria | - | - | 925 |
| Insurance | 62,618 | 11,900 | 12,603 |
| Office | 1,031 | - | 375 |
| Professional fees | 9,400 | 1,862 | - |
| Property tax | 3,000 | 4,983 | 1,956 |
| Repairs and maintenance | 12,200 | - | - |
| Salaries and benefits | 54,069 | 78,091 | 70,326 |
| Supplies | - | 26,763 | 93,060 |
| Telephone and utilities | 9,400 | 372 | 5,713 |
| Travel and training | 2,000 | 6,313 | 4,204 |
| | 194,518 | 209,223 | 429,409 |
| Surplus | 233,109 | 422,865 | 65,257 |

Tsal'alh
CMHC Housing
Schedule 5 - Schedule of Revenue and Expenses
For the year ended March 31, 2020

| | 2020 Budget (Note 16) | 2020 | 2019 |
|---|--------------------------------------|----------------|-------------|
| Revenue | | | |
| Rental income | - | 208,162 | 204,020 |
| Canada Mortgage and Housing Corporation | - | 88,298 | 76,680 |
| Interest income | - | 3,019 | - |
| | - | 299,479 | 280,700 |
| Expenses | | | |
| Amortization | - | 41,438 | 26,048 |
| Bad debts (recoveries) | - | - | 94,795 |
| Bank charges and interest | - | 43 | 114 |
| Contracted services | - | 2,045 | 11,611 |
| Insurance | - | 22,991 | 20,947 |
| Interest on long-term debt | - | 18,349 | 7,122 |
| Office | - | - | 841 |
| Professional fees | - | - | 10,200 |
| Provision for replacement reserve | - | 2,127 | 15,250 |
| Repairs and maintenance | - | 685 | 366 |
| Salaries and benefits | - | 19,488 | 11,318 |
| Supplies | - | 19,816 | 10,227 |
| Telephone and utilities | - | 10,141 | 4,034 |
| Travel and training | - | 237 | - |
| | - | 137,360 | 212,873 |
| Surplus | - | 162,119 | 67,827 |

Tsal'alh
Development Group
Schedule 6 - Schedule of Revenue and Expenses
For the year ended March 31, 2020

| | 2020 Budget (Note 16) | 2020 | 2019 |
|------------------------------|--------------------------------------|-------------|-------------|
| Revenue | | | |
| Other revenue | - | - | 3,096,644 |
| Rental income | - | - | 148,198 |
| Forgiven debt | - | - | 5,777 |
| Interest income | - | - | 2,989 |
| | - | - | 3,253,608 |
| Expenses | | | |
| Advertising and promotion | - | - | 2,736 |
| Amortization | - | - | 547,982 |
| Bad debts | - | - | 53,687 |
| Bank charges and interest | - | - | 37,833 |
| Contracted services | - | - | 36,652 |
| Equipment rentals and leases | - | - | 7,739 |
| Family support allowances | - | - | 1,450 |
| Honouraria | - | - | 13,200 |
| Insurance | - | - | 59,712 |
| Interest on long-term debt | - | - | 414,767 |
| Office | - | - | 65,834 |
| Postage | - | - | 3,219 |
| Professional fees | - | - | 140,307 |
| Property tax | - | - | 12,005 |
| Rent | - | - | 10,744 |
| Repairs and maintenance | - | - | 109,282 |
| Salaries and benefits | - | - | 1,738,866 |
| Supplies | - | - | 63,338 |
| Telephone and utilities | - | - | 200,435 |
| Travel and training | - | - | 40,226 |
| Vehicle | - | - | 48,281 |
| | - | - | 3,608,295 |
| Surplus (deficit) | - | - | (354,687) |

Tsal'alh
Economic Development
Schedule 7 - Schedule of Revenue and Expenses
For the year ended March 31, 2020

| | 2020 Budget (Note 16) | 2020 | 2019 |
|----------------------------|--------------------------------------|----------------|----------------|
| Revenue | | | |
| Indigenous Services Canada | 75,715 | 34,303 | 35,715 |
| Other revenue | 1,226,713 | 80,784 | 57,511 |
| Interest income | - | - | 24,672 |
| Own source revenue | - | 442,344 | 467,432 |
| | 1,302,428 | 557,431 | 585,330 |
| Expenses | | | |
| Amortization | - | 4,434 | 5,543 |
| Bad debts | 4,000 | - | 4 |
| Bank charges and interest | - | 400 | 583 |
| Contracted services | 87,000 | 30,332 | 8,883 |
| Fuel costs | 98,000 | 294,572 | 394,105 |
| Honouraria | - | - | 260 |
| IT and computer | 4,000 | 500 | - |
| Insurance | 10,000 | 1,546 | 958 |
| Office | 8,315 | 2,673 | 12,946 |
| Repairs and maintenance | 16,000 | 1,523 | 1,429 |
| Salaries and benefits | 240,394 | 105,470 | 113,998 |
| Supplies | 5,000 | 5,992 | 14,583 |
| Telephone and utilities | 31,068 | 27,700 | 29,299 |
| Travel and training | 10,600 | 7,517 | 5,096 |
| Vehicle | 684,883 | - | - |
| | 1,199,260 | 482,659 | 587,687 |
| Surplus (deficit) | 103,168 | 74,772 | (2,357) |

**Tsal'alh
Education**

Schedule 8 - Schedule of Revenue and Expenses

For the year ended March 31, 2020

| | 2020 Budget (Note 16) | 2020 | 2019 |
|-----------------------------------|--------------------------------------|------------------|-------------|
| Revenue | | | |
| Indigenous Services Canada | 1,591,554 | 1,931,452 | 1,560,462 |
| Other revenue | 49,892 | 322,719 | 363,662 |
| Province of BC | - | - | 22,575 |
| Forgiven debt | - | - | 218,498 |
| | 1,641,446 | 2,254,171 | 2,165,197 |
| Expenses | | | |
| Administration fees | - | 21,125 | 2,176 |
| Advertising and promotion | 500 | - | - |
| Amortization | - | 49,993 | 31,562 |
| Bad debts | - | - | 56 |
| Bank charges and interest | 200 | - | 71 |
| Contracted services | 215,600 | 255,497 | 278,152 |
| Educational allowance | 194,700 | 211,259 | 59,400 |
| Equipment rentals and leases | 10,800 | 9,448 | 6,585 |
| Family support allowances | 2,500 | 3,960 | 166 |
| Honouraria | 3,000 | 3,935 | 7,756 |
| Insurance | 30,400 | 28,648 | 22,118 |
| Office | 429,700 | 20,844 | 19,321 |
| Program education | 221,432 | 63,800 | 18,574 |
| Repairs and maintenance | - | 34,397 | 19,646 |
| Salaries and benefits | 367,028 | 404,779 | 393,075 |
| Social assistance | - | - | 556 |
| Supplies | 14,500 | 6,458 | 258,358 |
| Telephone and utilities | 15,000 | 25,157 | 19,233 |
| Travel and training | 28,059 | 38,383 | 25,747 |
| Tuition | 36,430 | 556,359 | 424,047 |
| Vehicle | 45,895 | 499 | 4,836 |
| | 1,615,744 | 1,734,541 | 1,591,435 |
| Surplus before transfers | 25,702 | 519,630 | 573,762 |
| Transfers between programs | - | (8,687) | 1,208 |
| Surplus | 25,702 | 510,943 | 574,970 |

Schedule 9 - Schedule of Revenue and Expenses

For the year ended March 31, 2020

| | 2020 Budget (Note 16) | 2020 | 2019 |
|-----------------------------------|--------------------------------------|------------------|-------------|
| Revenue | | | |
| First Nations Health Authority | 922,235 | 969,533 | 916,831 |
| Other revenue | - | 71,447 | 12,501 |
| Province of BC | - | 13,964 | - |
| Forgiven debt | - | - | 48 |
| BC Hydro | - | 2,000 | - |
| | 922,235 | 1,056,944 | 929,380 |
| Expenses | | | |
| Administration fees | - | 69,116 | - |
| Advertising and promotion | 4,000 | 793 | 1,496 |
| Amortization | - | 24,984 | 21,029 |
| Contracted services | 34,900 | 2,900 | 3,700 |
| Equipment rentals and leases | - | 5,661 | - |
| Family support allowances | 51,938 | 119,997 | 36,492 |
| Fire protection | 1,000 | - | - |
| Honouraria | 5,262 | 9,598 | 7,511 |
| IT and computer | - | 637 | - |
| Insurance | 11,944 | 10,085 | 11,192 |
| Office | 18,128 | 10,625 | 24,691 |
| Program education | - | - | 2,268 |
| Rent | 6,180 | - | - |
| Repairs and maintenance | 13,483 | 17,093 | 7,813 |
| Salaries and benefits | 434,217 | 324,420 | 288,533 |
| Social assistance | - | - | 14,542 |
| Supplies | 71,878 | 34,754 | 53,148 |
| Telephone and utilities | 22,658 | 17,242 | 12,027 |
| Travel and training | 133,508 | 118,266 | 154,864 |
| Vehicle | 37,315 | 12,157 | 13,969 |
| | 846,411 | 778,328 | 653,275 |
| Surplus before transfers | 75,824 | 278,616 | 276,105 |
| Transfers between programs | - | 12,949 | 21,904 |
| Surplus | 75,824 | 291,565 | 298,009 |

Tsal'alh
Land and Resources
Schedule 10 - Schedule of Revenue and Expenses
For the year ended March 31, 2020

| | 2020 Budget (Note 16) | 2020 | 2019 |
|---|--------------------------------------|------------------|----------------|
| Revenue | | | |
| Indigenous Services Canada | 226,848 | - | 45,346 |
| Other revenue | 97,977 | 79,829 | 109,353 |
| | 324,825 | 79,829 | 154,699 |
| Expenses | | | |
| Amortization | - | 24,305 | 24,438 |
| Contracted services | - | 37,596 | 13,125 |
| Equipment rentals and leases | - | 6,550 | 650 |
| Honouraria | 33,600 | 9,950 | 4,400 |
| Office | 9,900 | 576 | 3,139 |
| Repairs and maintenance | - | 113 | 714 |
| Salaries and benefits | 95,133 | 134,361 | 91,358 |
| Supplies | 7,000 | 9,252 | 5,485 |
| Travel and training | 53,400 | 13,195 | 5,641 |
| Vehicle | - | - | 46 |
| | 199,033 | 235,898 | 148,996 |
| Surplus (deficit) before transfers | 125,792 | (156,069) | 5,703 |
| Transfers between programs | - | 37,357 | 8,844 |
| Surplus (deficit) | 125,792 | (118,712) | 14,547 |

Tsal'alh
Public Works

Schedule 11 - Schedule of Revenue and Expenses
For the year ended March 31, 2020

| | 2020 Budget (Note 16) | 2020 | 2019 |
|------------------------------|--------------------------------------|------------------|------------------|
| Revenue | | | |
| Indigenous Services Canada | 196,941 | 302,449 | 526,763 |
| Other revenue | 33,000 | 21,271 | 5,816 |
| Own source revenue | - | - | 2,148 |
| | 229,941 | 323,720 | 534,727 |
| Expenses | | | |
| Administration fees | - | - | 1,069 |
| Amortization | - | 428,827 | 452,427 |
| Bad debts | - | - | 31 |
| Contracted services | - | 143,959 | 21,640 |
| Equipment rentals and leases | - | 7,444 | 1,061 |
| Insurance | 35,000 | 19,838 | 22,652 |
| Office | 2,000 | 289 | 1,683 |
| Repairs and maintenance | 6,565 | 47,867 | 18,389 |
| Salaries and benefits | 91,242 | 70,182 | 58,150 |
| Supplies | 26,254 | 23,256 | 20,957 |
| Telephone and utilities | 35,500 | 24,860 | 46,416 |
| Travel and training | 13,380 | 8,565 | 7,859 |
| Vehicle | 20,000 | 898 | 9,702 |
| | 229,941 | 775,985 | 662,036 |
| Deficit | - | (452,265) | (127,309) |

Tsal'alh
Social Development
Schedule 12 - Schedule of Revenue and Expenses
For the year ended March 31, 2020

| | <i>2020 Budget (Note 16)</i> | <i>2020</i> | <i>2019</i> |
|---------------------------------|--------------------------------------|----------------|----------------|
| Revenue | | | |
| Indigenous Services Canada | 641,144 | 757,177 | 674,973 |
| Deferred revenue - current year | - | (22,774) | (93,244) |
| | 641,144 | 734,403 | 581,729 |
| Expenses | | | |
| Administration fees | - | 6,467 | - |
| Basic needs | 195,651 | 258,757 | 176,585 |
| Contracted services | - | - | 4,041 |
| Equipment rentals and leases | - | - | 35 |
| Family support allowances | - | 38,315 | 14,087 |
| Honouraria | - | 3,656 | 250 |
| Office | 19,542 | 4,271 | 4,122 |
| Program education | - | - | 13,269 |
| Rent | 70,614 | 95,100 | 41,783 |
| Salaries and benefits | 113,188 | 33,366 | 35,506 |
| Social assistance | - | 24,838 | 40,540 |
| Supplies | 54,225 | 1,256 | 1,026 |
| Telephone and utilities | 25,107 | 41,832 | 22,847 |
| Travel and training | 144,206 | 8,121 | 5,281 |
| | 622,533 | 515,979 | 359,372 |
| Surplus | 18,611 | 218,424 | 222,357 |