

SPLATSIN
FINANCIAL STATEMENTS
March 31, 2019



SPLATSIN
FINANCIAL STATEMENTS

March 31, 2019

EXHIBIT

	<i>SUMMARY FINANCIAL STATEMENTS:</i>	
A	MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING	
A1	INDEPENDENT AUDITORS' REPORT	
A2	SUMMARY STATEMENT OF FINANCIAL POSITION	
A3	SUMMARY STATEMENT OF MEMBERS' EQUITY	
A4	SUMMARY STATEMENT OF OPERATIONS	
A5	SUMMARY STATEMENT OF REMEASUREMENT GAINS AND LOSSES	
A6	SUMMARY STATEMENT OF CHANGE IN NET FINANCIAL ASSETS	
A7	SUMMARY STATEMENT OF CASH FLOWS	
	NOTES TO SUMMARY FINANCIAL STATEMENTS	
	SUMMARY SCHEDULE OF TANGIBLE CAPITAL ASSETS	APPENDIX 1
	STATEMENT OF FINANCIAL ACTIVITIES - SEGMENTED	APPENDIX 2


MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

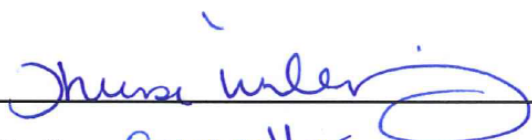
The financial statements of SPLATSIN have been prepared in accordance with Canadian public sector accounting standards. When alternative accounting methods exist, management has chosen those it deems most appropriate in the circumstances. These statements include certain amounts based on management's estimates and judgements. Management has determined such amounts based on a reasonable basis in order to ensure that the financial statements are presented fairly in all material respects.


The integrity and reliability of SPLATSIN's reporting systems are achieved through the use of formal policies and procedures, the careful selection of employees and an appropriate division of responsibilities. These systems are designed to provide reasonable assurance that the financial information is reliable and accurate.

The Band Council is responsible for ensuring that management fulfils its responsibility for financial reporting and is ultimately responsible for reviewing and approving the financial statements. The Council carries out this responsibility periodically through its Finance Committee. The Finance Committee is appointed by the Council and meets periodically with management and the members' auditors to review significant accounting, reporting and internal control matters. Following its review of the financial statements and discussions with the auditors, the Finance Committee reports to Council prior to its approval of the financial statements. The Committee also considers, for review by the Council and approval by the members, the engagement or re-appointment of the external auditors.

The financial statements have been audited on behalf of the members by Daley & Company CPA LLP in accordance with Canadian generally accepted auditing standards.


 Position: Kukpi7


 Position: Councillor


 Position: Councillor



DALEY & COMPANY LLP

Chartered Professional Accountants

200-206 Seymour Street
Kamloops, BC V2C 6P5

p. 250.374.5577

f. 250.374.5573

toll free. 1.877.374.5577

email. admin@daleyllp.ca

www.daleyllp.ca

Norman Daley, FCPA, FCA
Paul Mumford, CPA, CA
Michael Parker, CPA, CA
Maureen McCurdy, CPA, CA
Sandra Blair, CPA, CA
Shawn Birkenhead, CPA, CA
Kevin Cooper, CPA, CA
Incorporated Professionals

INDEPENDENT AUDITOR'S REPORT

To the Members,
SPLATSIN

EXHIBIT A1

Opinion

We have audited the financial statements of SPLATSIN, which comprise the summary statement of financial position as at March 31, 2019, and the summary statement of members' equity, summary statement of operations, summary statement of remeasurement gains and losses, summary statement of change in net financial assets and summary statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of SPLATSIN as at March 31, 2019, and the results of its operations and its cash flow for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of SPLATSIN 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 those requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Matters

Our audit was conducted for the purpose of forming an opinion on the financial statements taken as a whole. The current year's supplementary information included in Exhibits B1 to B3, C1 to C2, D1 to D2 and schedules 1 to 41 are presented for the purposes of additional analysis and are not a required part of the financial statements. Such supplementary information has been subjected to the auditing procedures applied in the audit of the summary financial statements and, in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole.

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

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

In preparing the financial statements, management is responsible for assessing SPLATSIN's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to liquidate SPLATSIN or to cease operations, or has no realistic alternative but to do so.

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

(continues)

Independent Auditor's Report to the Members of SPLATSIN (continued)

Auditor's 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 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 financial statements. As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of SPLATSIN'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 SPLATSIN'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 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 SPLATSIN 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Nation to express an opinion on the summary 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.

Kamloops, BC
July 26, 2019



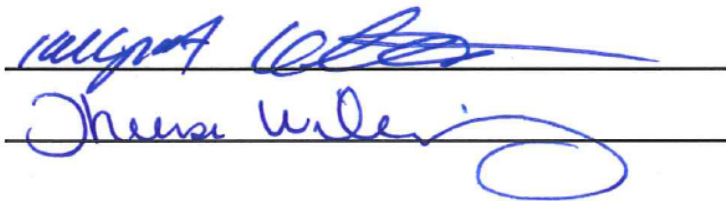
Chartered Professional Accountants

SPLATSIN
SUMMARY STATEMENT OF FINANCIAL POSITION
March 31, 2019

FINANCIAL ASSETS	2019	2018
Cash	\$ 9,477,736	\$ 7,207,874
Restricted cash (Note A3)	3,732,382	3,448,128
Grants and accounts receivable (Note A4)	751,804	1,941,295
Loans receivable (Note A5)	344,680	353,938
Investments and advances (Note A6)	<u>6,923,348</u>	<u>4,483,294</u>
	<u>21,229,950</u>	<u>17,434,529</u>
LIABILITIES		
Accounts payable and accruals (Note A8)	1,281,909	2,148,076
Deferred revenue (Note A9)	1,115,437	1,193,561
Demand loans (Note A10)	1,881,390	1,717,709
Internally restricted funds payable (Note A3)	2,025,637	1,814,856
Mortgages payable (Note A11)	158,932	205,305
Long-term debt (Note A12)	<u>15,604,247</u>	<u>16,094,327</u>
	<u>22,067,552</u>	<u>23,173,834</u>
NET FINANCIAL DEBT	<u>(837,602)</u>	<u>(5,739,305)</u>
NON-FINANCIAL ASSETS		
Tangible capital assets (Note A13)	30,565,956	30,704,608
Prepaid expenses	<u>90,469</u>	<u>227,035</u>
	<u>30,656,425</u>	<u>30,931,643</u>
ACCUMULATED SURPLUS (Note A15)	\$ 29,818,823	\$ 25,192,338

COMMITMENTS AND CONTINGENCIES (Note A16)

APPROVED BY THE BAND:



See accompanying notes to financial statements.

SPLATSIN
SUMMARY STATEMENT OF MEMBERS' EQUITY
Year ended March 31, 2019

	2019	2018
ACCUMULATED SURPLUS, beginning of year	\$ 25,192,337	\$ 17,699,611
EXCESS OF REVENUE OVER EXPENSES	3,837,735	6,976,827
UNREALIZED GAINS (Exhibit A5)	<u>788,751</u>	<u>515,899</u>
ACCUMULATED SURPLUS, end of year	<u>\$ 29,818,823</u>	<u>\$ 25,192,337</u>

See accompanying notes to financial statements.

SPLATSIN
SUMMARY STATEMENT OF OPERATIONS
Year ended March 31, 2019

	Budget	2019	2018
REVENUE:			
Indigenous Services Canada	\$ 5,525,026	\$ 7,397,029	\$ 11,263,022
First Nations Health Authority	1,195,309	1,385,106	1,399,448
Consulting and contract	2,187,446	2,444,758	2,237,398
Forest Consultation and Revenue Sharing Agreement	1,779,258	1,779,258	1,150,829
Income from investment in Splatsin business enterprises	330,000	2,200,475	1,460,053
Interest and dividend income	36,560	201,849	119,418
Canada Mortgage and Housing Corporation	5,040	10,150	20,480
Leases, rentals and grants in lieu	574,965	496,365	575,918
Miscellaneous	1,622,195	874,256	1,004,433
	<u>\$ 13,255,799</u>	<u>16,789,246</u>	<u>19,230,999</u>
EXPENSES:			
Administration	\$ 1,919,094	2,472,692	2,024,601
Local revenue	104,260	101,123	34,823
Community Operations	1,465,494	1,975,581	2,018,048
Economic Development	270,479	107,496	38,232
Education	2,094,338	1,989,270	1,836,003
Health	1,185,644	1,328,422	1,390,692
Housing	346,755	409,852	406,588
Infrastructure and Capital Improvements	48,147	72,120	72,038
Natural Resource and Title and Rights	604,103	573,874	888,917
Social Development	953,177	1,240,158	1,013,518
Splatsin Stsmamlt Services	2,402,024	2,680,923	2,530,709
	<u>\$ 11,393,515</u>	<u>12,951,511</u>	<u>12,254,169</u>
EXCESS OF REVENUE OVER EXPENSES		\$ 3,837,735	\$ 6,976,830

SPLATSIN
SUMMARY STATEMENT OF REMEASUREMENT GAINS AND LOSSES
Year ended March 31, 2019

	2019	2018
ACCUMULATED REMEASUREMENT GAINS, beginning of year	<u>\$ 1,780,591</u>	<u>\$ 1,264,692</u>
UNREALIZED GAINS ATTRIBUTED TO:		
Equity in partnerships (Note A6)	872,637	594,503
Losses in partnerships (Note A6)	<u>(83,886)</u>	<u>(78,604)</u>
	<u>788,751</u>	<u>515,899</u>
ACCUMULATED REMEASUREMENT GAINS, end of year	<u><u>\$ 2,569,342</u></u>	<u><u>\$ 1,780,591</u></u>

See accompanying notes to financial statements.

SPLATSIN
SUMMARY STATEMENT OF CHANGE IN NET FINANCIAL ASSETS
Year ended March 31, 2019

	2019	2018
EXCESS OF REVENUE OVER EXPENSES	\$ 3,837,735	\$ 6,976,830
Acquisition of tangible capital assets	(961,779)	(6,164,803)
Amortization of tangible capital assets	1,100,430	1,050,227
Loss on disposal of assets in the year	-	(12,287)
Proceeds on disposal of assets	-	43,000
Unrealized gains (Exhibit A5)	788,751	515,899
Change in prepaid expenses	136,567	(26,160)
INCREASE IN NET FINANCIAL ASSETS	4,901,704	2,382,706
NET FINANCIAL DEBT, beginning of year	(5,739,305)	(8,122,011)
NET DEBT, end of year	\$ (837,601)	\$ (5,739,305)

See accompanying notes to financial statements.

SPLATSIN
SUMMARY STATEMENT OF CASH FLOWS
Year ended March 31, 2019

	2019	2018
OPERATING ACTIVITIES:		
Excess of revenue over expenses	\$ 3,837,735	\$ 6,976,830
Non-cash charges to operations:		
Amortization	1,100,430	1,050,227
Loss on disposal of assets	-	(12,287)
Adjustment for capital and investment transactions included in operations:		
Loss from investment in Splatsin business enterprises	(2,200,475)	(1,460,053)
(Increase) decrease in:		
Accounts receivable	1,189,491	(706,138)
Loans receivable	9,258	12,554
Prepaid expenses	136,567	(26,156)
Increase (decrease) in:		
Accounts payable and accruals	(866,167)	800,812
Deferred revenue	(78,124)	(1,861,383)
Funds held in trust	210,781	162,502
Cash flows from operations	<u>3,339,496</u>	<u>4,936,908</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
New borrowings	239,635	1,086,398
Demand loans	163,681	1,013,273
Long-term debt reduction	(776,088)	(1,595,338)
Cash flows from (used in) financing	<u>(372,772)</u>	<u>504,333</u>
CASH FLOWS FROM CAPITAL ACTIVITIES:		
Purchase of property and equipment	(961,779)	(6,164,803)
Proceeds on assets disposed of during the year	-	43,000
Cash used in capital	<u>(961,779)</u>	<u>(6,121,803)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Restricted cash	(284,254)	(187,750)
Equity in Partnerships	788,751	515,899
Long-term investments	(239,579)	(53,128)
Cash from investing	<u>264,918</u>	<u>275,021</u>
INCREASE (DECREASE) IN CASH	2,269,863	(405,541)
CASH, beginning of year	<u>7,207,874</u>	<u>7,613,415</u>
CASH, end of year	\$ 9,477,737	\$ 7,207,874

See accompanying notes to financial statements.

SPLATSIN
NOTES TO SUMMARY FINANCIAL STATEMENTS
March 31, 2019

NOTE A1. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES:

These summary financial statements have been prepared by management in accordance with Canadian public sector accounting standards. The significant accounting policies are summarized as follows:

a) Fund Accounting:

Splatsin uses fund accounting procedures which result in a self-balancing set of accounts for each fund established by legal, contractual or voluntary actions. The various funds have been amalgamated for the purpose of presentation in the summary financial statements. Details of the operations of each fund are set out in the supplementary schedules. Splatsin maintains the following funds:

- The Band Operating Fund which reports the general activities of the First Nation Administration.
- The Trust Fund which reports on trust funds owned by the First Nation and held by third parties.
- The Capital Fund which reports the property, plant and equipment of the First Nation, together with their related financing.
- The Social Housing Program Fund which reports the social housing assets of the First Nation, together with related activities.

b) Reporting Entity and Principles of Financial Reporting:

Splatsin reporting entity includes Splatsin government and all related entities which are accountable to the First Nation and are either owned or controlled by the First Nation.

These financial statements consolidate the assets, liabilities and results of operations for the following entities which use accounting principles which lend themselves to consolidation:

- Splatsin Operating Fund
- Splatsin Trust Fund
- Splatsin Capital Fund
- Splatsin Social Housing Program Fund

All inter-entity balances have been eliminated on consolidation, but in order to present the results of operations for each specific fund, transactions amongst funds have not necessarily been eliminated on the individual schedules.

Incorporated business entities, which are owned or controlled by Splatsin and which are not dependent on the First Nation for their continuing operations, are included in the summary financial statements using the modified equity method. This includes:

- Quilakwa Investments Ltd.
- Splatsin Development Corporation
- Yucwmenlucwu ("Caretakers of the Land") 2007 LLP

Investments in government partnerships are included in the summary financial statements using the proportionate consolidation method. These include:

- Secwépemc Reconciliation Framework Agreement (RFA)
- Séxqeltkemoc Lakes Division

Investments in non-controlled entities and subject to significant influence are included in the summary financial statements using the modified equity method. These include:

- Sexqeltkemoc Enterprises Inc.
- Sexqeltkemoc Limited Partnership

Long-term investments in non-controlled entities and not subject to significant influence are recorded at cost.

SPLATSIN
NOTES TO SUMMARY FINANCIAL STATEMENTS
March 31, 2019

NOTE A1. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES (continued):

c) Accrual Method:

The accrual method is used in accounting for all funds.

d) Replacement Reserve:

The Replacement Reserve is funded by an annual charge against earnings as opposed to an appropriation of surplus.

e) Non-financial Assets:

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year and are not intended for sale in the ordinary course of operations. The change in non-financial assets during the year, together with the excess of revenues over expenses, provides the Change in Net Financial Assets for the year.

1) Tangible Capital Assets:

Tangible capital assets are recorded at cost which includes all amounts that are directly attributable to acquisition, construction, development or betterment of the asset. The cost, less residual value, of the tangible capital assets are amortized on a straight-line basis over their estimated useful lives as follows:

Major Asset Category:

Roads and bridges	10 to 75 years
Buildings and housing	20 to 70 years
Water systems	50 to 80 years
Automotive and other equipment	10 to 15 years
Office equipment	5 to 10 years

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

The Band reviews the useful lives and the carrying values of its tangible capital assets at least annually or more frequently if events or changes in circumstances indicate that the assets might be impaired, by reference to the assets' contribution to the Band's ability to provide services. When assets no longer have any long-term service potential to the Band, the assets are considered to be impaired. An impairment loss is measured at the amount by which the carrying amount of the assets exceeds their fair value, which is estimated as the expected service potential of the assets.

2) Leases:

Leases are classified as capital or operating leases. Leases which transfer substantially all of the benefits and risks incidental to ownership of property are accounted for as capital leases. All other leases are accounted for as operating leases and the related lease payments are charged to expenses as incurred.

The Band's interest in reserve lands is not reflected in these financial statements, as no consideration was paid by the Band to acquire these lands.

f) Deferred Revenue:

Revenue is recorded in the period to which it relates.

g) As part of the Band's forest license agreement, the Band is required to perform reforestation on areas logged under conditions set out in the acts governing forestry operations. The Band estimates the costs of reforestation through to the free-to-grow stage and records the present value obligation of these costs as timber is harvested.

SPLATSIN
NOTES TO SUMMARY FINANCIAL STATEMENTS
March 31, 2019

NOTE A1. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES (continued):

h) Revenue Recognition:

Splatsin derives revenues from a number of sources.

Amounts received from Indigenous Services Canada (ISC) are reported in accordance with the terms of the funding arrangement. Amounts specified as set are reported as revenue as program terms and conditions are met and delivered. Any resulting surpluses are repayable to ISC and any deficits incurred are refundable by ISC. Amounts specified as fixed are recognized as revenue as program terms and conditions are met and delivered. Any resulting surpluses may be retained by the Band provided delivery of the program is complete at March 31. Any resulting deficits are the responsibility of the Band. Amounts specified as flexible are reported as revenue as program terms and conditions are met and delivered and project expenditures have been made. Any unspent funds at the end of the project are repayable to ISC. Grants received from ISC are unconditional and are reported as revenue when received or receivable and collection is reasonably assured.

Amounts received from other government departments, both federal and provincial, are reported as revenue in accordance with the terms of the contract or agreement.

Own source revenues derived from such sources as housing rents, resource based revenues, interest income, etc. are reported when received or receivable and collection is reasonably assured.

i) Use of Estimates:

The preparation of financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amount of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting periods. By their nature, these estimates are subject to measurement uncertainty and the effect on the financial statements of changes in such estimates in future periods could be significant.

NOTE A2. FINANCIAL INSTRUMENTS:

Fair Value of Financial Assets and Financial Liabilities:

The carrying values of cash, accounts receivable, loans receivable, accounts payable and accrued liabilities, and demand loans approximate their fair value due to the relatively short periods to maturity of these items or because they are receivable or payable on demand.

The carrying value of mortgages payable and long-term debt approximate fair value as the terms and conditions of the borrowing arrangements are comparable to current market terms and conditions for similar items.

Credit Risk:

The Band is exposed to a credit risk by its funding agencies and suppliers. However, because the majority of funding is from government agencies and there is a large number of different suppliers, credit risk concentration is reduced to the minimum.

Interest Risk:

Mortgages payable have fixed interest rates on all mortgages. Therefore interest expense will decrease with the principal repayment of the mortgage and interest risk is reduced to the minimum.

SPLATSIN
NOTES TO SUMMARY FINANCIAL STATEMENTS
March 31, 2019

NOTE A3. RESTRICTED CASH:

	2019	2018
Internally restricted funds	\$ 2,025,637	\$ 1,814,856
Replacement reserve	111,097	109,075
Secured revenues trust account	541,847	496,013
Ottawa Trust Funds	<u>1,053,801</u>	<u>1,028,184</u>
	<u><u>\$ 3,732,382</u></u>	<u><u>\$ 3,448,128</u></u>

a) Internally restricted funds:

- i) The funds consist of children's special allowances received in respect of children under the care of the Band. By way of Band Council resolution these monies are payable to children in the care of the Band upon their nineteenth birthday.

	2019	2018
Balance, beginning of year	\$ 1,351,542	\$ 1,158,481
Amounts received, including interest	319,564	288,646
Withdrawal to offset costs	(26,020)	-
Payments	<u>(69,481)</u>	<u>(95,585)</u>
Balance, end of year	<u><u>1,575,605</u></u>	<u><u>1,351,542</u></u>

- ii) The funds consist of BC Hydro right of way lease payments payable to minors. These monies are payable upon their nineteenth birthday.

	2019	2018
Balance, beginning of year	463,314	493,873
Amounts received, including interest	-	-
Payments	<u>(13,282)</u>	<u>(30,559)</u>
Balance, end of year	<u><u>450,032</u></u>	<u><u>463,314</u></u>
	<u><u>\$ 2,025,637</u></u>	<u><u>\$ 1,814,856</u></u>

b) Replacement Reserve Fund:

Under the terms of the agreement with Canada Mortgage and Housing Corporation, the Replacement Reserve account is to be credited in the amount of \$4,713 annually plus interest. These funds, along with accumulated interest, must be held in a separate bank account and / or invested only in accounts or instruments insured by the Canada Deposit Insurance Corporation or as may otherwise be approved by Canada Mortgage and Housing Corporation from time to time. Withdrawals are credited to interest first and then principal.

	2019	2018
Balance, beginning of year	\$ 25,680	\$ 29,301
Allocation for the year	4,713	4,796
Interest earned	2,022	1,273
Canada Mortgage and Housing Corporation adjustment	20,829	-
Adjustment due to matured units	-	(9,690)
Approved expenditures	<u>(3,698)</u>	<u>-</u>
Balance, end of year	<u><u>\$ 49,546</u></u>	<u><u>\$ 25,680</u></u>
The Replacement Reserve is represented by:		
Cash	<u><u>\$ 111,097</u></u>	<u><u>\$ 109,075</u></u>

SPLATSIN
NOTES TO SUMMARY FINANCIAL STATEMENTS
March 31, 2019

NOTE A3. RESTRICTED CASH (continued):

- c) Secured revenues trust account:
The secured revenues trust account arises from a financing agreement with the First Nations Finance Authority (FNFA). Other revenues of Splatsin are deposited into this account to secure funds FNFA has lent to Splatsin. The account is managed by a third party which is required to pay amounts to FNFA under the terms of the borrowing agreement before paying any remaining amount from the account to Splatsin.
- d) 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.

NOTE A4. GRANTS AND ACCOUNTS RECEIVABLE:

	2019	2018
Accounts Receivable:		
Province of BC - Ministry of Children and Family Development	\$ -	\$ 50,000
Province of BC - Ministry of Transportation & Infrastructure	3,338	203,941
Province of BC - Emergency Management	-	84,655
BC Hydro	70,140	195,418
First Nations Education Steering	94,723	25,439
Amounts under \$50,000	426,753	391,644
Canada Mortgage and Housing Corporation	5,918	144,086
School District #83	46,782	-
Sexqeltkenc Lakes Division	478	1,116
Secwepemc Fisheries Commission	60,299	48,699
South Enderby Boards & More	51,713	39,585
SRFA	62,750	-
Indigenous Services Canada	189,435	901,939
	<u>1,012,329</u>	<u>2,086,522</u>
Rent Receivable	<u>1,011,956</u>	<u>959,616</u>
Band Members	<u>46,247</u>	<u>46,247</u>
	<u>2,070,532</u>	<u>3,092,385</u>
Less allowance for doubtful accounts	<u>(1,318,728)</u>	<u>(1,151,090)</u>
	<u>\$ 751,804</u>	<u>\$ 1,941,295</u>

NOTE A5. LOANS RECEIVABLE:

	2019	2018
Band member, loan receivable, no set terms of repayment, secured by land and building	\$ 50,061	\$ 48,246
Band member, loan receivable, repayable in monthly installments of \$490 including interest at the Bank's prime plus 1.5%, secured by land and building, due November 2037	49,790	52,974
Band member, loan receivable, repayable in monthly installments of \$360 including interest at the Bank's prime plus 1.5%, secured by land and building, due November 2027	29,450	32,125
Band member, loan receivable, repayable in monthly installments of \$1,535 including interest at the Bank's prime plus 1.5%, secured by land and building, due November 2038	<u>215,379</u>	<u>220,593</u>
	<u>\$ 344,680</u>	<u>\$ 353,938</u>

SPLATSIN
NOTES TO SUMMARY FINANCIAL STATEMENTS
March 31, 2019

NOTE A6. INVESTMENTS AND ADVANCES:	2019	2018
Splatsin Development Corporation:		
Share capital - 100%	<u>\$ 1</u>	<u>\$ 1</u>
Yucwmenlucwu ("Caretakers of the Land") 2007 LLP:		
Partnership interest:		
Balance, beginning of year	4,194,435	2,712,574
Net income allocation	2,866,206	1,975,861
Drawings	<u>(494,000)</u>	<u>(494,000)</u>
Balance, end of year	6,566,641	4,194,435
Capital account - 99% interest	99	99
	<u>6,566,740</u>	<u>4,194,534</u>
Quilakwa Investments Ltd.:		
Share capital - 100%	80	80
Advances to (from), noninterest bearing, unsecured, no stated terms of repayment	(1,471,517)	(1,176,706)
Add: demand loan included in capital fund (see Note A10)	1,326,033	1,086,398
Retained earnings	<u>658,745</u>	<u>411,351</u>
	<u>513,341</u>	<u>321,123</u>
All Nations Trust Company:		
Class A common shares, par value \$1	<u>15,220</u>	<u>15,220</u>
Sexqeltkmc Enterprises Inc.:		
Share capital - 33%	<u>10</u>	<u>10</u>
Sexqeltkmc Limited Partnership:		
Capital account - 33% interest	10	10
Partner deficiency (funded by a bank loan subsequent to year end - see below for details)	<u>(171,974)</u>	<u>(47,604)</u>
	<u>(171,964)</u>	<u>(47,594)</u>
	<u><u>\$ 6,923,348</u></u>	<u><u>\$ 4,483,294</u></u>
Financial information for Yucwmenlucwu ("Caretakers of the Land") 2007 LLP:		
	2019	2018
Cash	\$ 947,025	\$ 1,617,351
Current assets	5,246,186	2,705,304
Equipment	408,274	412,392
Non-current Assets	927,742	757,105
Current Liabilities	(884,505)	(1,186,653)
Long Term Debt	<u>(64,019)</u>	<u>(100,954)</u>
Partners' Capital	<u>\$ 6,580,703</u>	<u>\$ 4,204,545</u>
Revenues	\$ 9,881,175	\$ 9,418,323
Other Comprehensive Income	872,637	594,503
Expenses	<u>7,858,654</u>	<u>8,017,009</u>
Net Income	<u><u>\$ 2,895,158</u></u>	<u><u>\$ 1,995,817</u></u>

Yucwmenlucwu ("Caretakers of the Land") 2007 LLP is domiciled near Enderby, British Columbia. The Partnership is engaged primarily in logging operations and environmental services.

SPLATSIN
NOTES TO SUMMARY FINANCIAL STATEMENTS
March 31, 2019

NOTE A6. INVESTMENTS AND ADVANCES (continued):

Financial information for Quilakwa Investments Ltd.:

	2019	2018
Cash	\$ 399,967	\$ 234,979
Current Assets	1,793,285	1,440,462
Property and equipment	295,505	313,221
Current Liabilities	<u>(1,604,249)</u>	<u>(1,351,548)</u>
Shareholders' equity	<u>\$ 884,508</u>	<u>\$ 637,114</u>
Comprised of:		
Share capital	\$ 80	\$ 80
Contributed surplus	225,683	225,683
Retained earnings	<u>658,745</u>	<u>411,351</u>
	<u>\$ 884,508</u>	<u>\$ 637,114</u>
Revenues	\$ 9,453,137	\$ 7,525,421
Expenses	<u>9,205,743</u>	<u>7,464,471</u>
Net Income	<u>\$ 247,394</u>	<u>\$ 60,950</u>

Quilakwa Investments Ltd. is domiciled near Enderby, British Columbia. The primary business activity is the operation of a retail gas station.

Financial information for Sexqeltkemoc Limited Partnership:

	Total	Band's Share 2019	Band's Share 2018
Cash	\$ 5,027	\$ 2,078	\$ 375
Other current assets	247,836	102,460	336,169
Long-term Assets	5	2	712
Current Liabilities	<u>(668,811)</u>	<u>(276,502)</u>	<u>(384,848)</u>
Partner's Capital	<u>\$ (415,943)</u>	<u>\$ (171,962)</u>	<u>\$ (47,592)</u>
Revenues	\$ (45,898)	\$ (15,298)	\$ 295,110
Other Comprehensive Loss	(251,683)	(83,886)	(78,604)
Expenses	<u>75,578</u>	<u>25,190</u>	<u>277,366</u>
Net Loss	<u>\$ (373,159)</u>	<u>\$ (124,374)</u>	<u>\$ (60,860)</u>

Sexqeltkemoc Limited Partnership is domiciled near Chase, British Columbia. The Partnership is a business entity comprised of representative members from the Adams Lake, Neskonlith and Splat sin people. The Partnership's object is to recognize, develop and secure business and employment opportunities within the traditional boundaries of the Sexqeltkemoc te Secwepemc. Net earnings of the Partnership are allocated to the respective Partners annually.

Subsequent to year-end, Sexqeltkemoc Limited Partnership defaulted on their bank loan. As Splat sin was a partial guarantor, they were required to pay 33%. Splat sin obtained a loan for \$168,000 at prime rate to fund the deficit in Sexqeltkemoc Limited Partnership.

SPLATSIN
NOTES TO SUMMARY FINANCIAL STATEMENTS
March 31, 2019

NOTE A7. PROPORTIONATELY CONSOLIDATED INTERESTS:

2019

2018

The following are accounted for using the proportionate consolidation method:

Qwelminté – Secwépemc GSG (QS-GSG) (formerly Secwépemc Reconciliation Framework Agreement)

Qwelminté – Secwépemc GSG (QS-GSG) is an agreement signed between Secwepemc and the Province of B.C. Under the initial agreement the Secwepemc was comprised of the Tk'emlups to Secwepemc, Skeetchestn Indian Band, Adams Lake Indian Band, Splatstin and Shuswap Indian Band. The purpose of the agreement is to engage with the Province of B.C. in discussions associated with land and resource use within asserted traditional territories outside of the B.C. treaty process.

Financial information for Qwelminté – Secwépemc GSG (QS-GSG):

	Total	Band's Share 14%	Band's Share 14%
Cash	\$ 203,995	\$ 29,142	\$ 73,757
Accounts Receivable	9,272	1,325	-
Intangible asset	122,453	17,493	24,491
Current Liabilities	(36,536)	(5,219)	(2,916)
	<u>\$ 299,184</u>	<u>\$ 42,741</u>	<u>\$ 95,332</u>
Revenues	\$ 100,000	\$ 14,286	\$ 150,000
Expenses	468,139	66,877	129,773
Net Income	<u>\$ (368,139)</u>	<u>(52,591)</u>	<u>20,227</u>
Expenses of Secwépemc Reconciliation Framework Agreement (RFA) paid to Splatstin		-	90,000
Transfer of members' capital to new members		-	(30,046)
Net income included in summary financial statements		<u>\$ (52,591)</u>	<u>\$ 80,181</u>

Séxqeltkemoc Lakes Division

Séxqeltkemoc Lakes Division is a political body established to represent the Sexqeltkemoc te Secwepemc and the Chiefs and Councils of the Neskonlith Indian Band, the Adams Lake Indian Band and the Splatstin Indian Band to investigate rights and title issues and business opportunities and impact benefit agreements.

Financial information for Séxqeltkemoc Lakes Division:

	Total	Band's Share 33%	Band's Share 33%
Cash	\$ -	\$ -	\$ 138,163
Accounts receivable	-	-	93
Current Liabilities	-	-	(138,256)
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Revenues	\$ 460	\$ 154	\$ 41,437
Expenses	99,469	33,156	66,371
Net Income (Deficit)	<u>\$ (99,009)</u>	<u>\$ (33,002)</u>	<u>\$ (24,934)</u>

SPLATSIN
NOTES TO SUMMARY FINANCIAL STATEMENTS
March 31, 2019

NOTE A8. ACCOUNTS PAYABLE AND ACCRUALS:	2019	2018
Miscellaneous (under \$50,000)	\$ 567,878	\$ 592,813
Carver Construction	-	454,202
Indigenous Services Canada	144,257	-
Reforestation obligation	213,933	142,218
Per capita distributions - BC Hydro: right of way lease	114,006	117,340
Payroll - Vacation Payable	113,607	109,847
School District No. 83	-	93,506
Payroll - accrual	56,116	300,180
Yucwmenlucwu ("Caretakers of the Land") 2007 LLP	60,705	149,924
Landmark Resource Management Ltd.	-	92,983
Associated Engineering (BC) Ltd.	11,407	95,063
	<u>\$ 1,281,909</u>	<u>\$ 2,148,076</u>

NOTE A9. DEFERRED REVENUE:	2019	2018
Miscellaneous (under \$50,000)	\$ 3,251	\$ 69,657
First Nations Education Steering Committee	126,013	58,947
First Nations Education Steering Committee - bus purchase grant	-	63,000
BC Rural Dividend	-	52,900
Strategic Forestry Initiative	185,543	-
First Nations Health Authority	184,494	-
Indigenous Services Canada:		-
NT7E-001 Land Use Planning (Schedule 5)	100,000	-
CPMS #8943 FNMWS Enderby IR#2 Jackpine & Canyon (Schedule 23)	245,649	652,479
ICMS #9-00126350 BDG'16 Innovation - Hsg. Auth (Schedule 41)	46,578	46,578
ICMS #9-00126965 Renovation and additions (Schedule 41)	223,909	250,000
	<u>\$ 1,115,437</u>	<u>\$ 1,193,561</u>

NOTE A10. DEMAND LOANS:	2019	2018
<u>Capital Fund:</u>		
Bank of Montreal, demand loan, repayable in monthly installments of \$1,025 including interest at the bank's prime rate plus 1.5%, secured by Ministerial Guarantee of the Minister of Indigenous Services Canada	\$ 69,767	\$ 78,318
Bank of Montreal, demand loan, repayable in monthly installments of \$1,283 plus interest at the bank's prime rate plus 1.5%, secured by Ministerial Guarantee of the Minister of Indigenous Services Canada	7,683	23,100
RBC Royal Bank, vehicle loan, repayable in monthly installments of \$1,670 including interest and 3.54%, secured by a 2017 Blue Bird School Bus	46,335	64,380
RBC Royal Bank, vehicle loan, repayable in monthly installments of \$290 including interest and 3.39%, secured by a 2014 Dodge Caravan	4,807	8,065
RBC Royal Bank, equipment loan, repayable in monthly installments of \$825 including interest and 3.79%, secured by an excavator and a loader	4,867	14,383
RBC Royal Bank, demand loan, repayable in monthly installments of \$1,100 including interest at 3.70%, secured by Ministerial Guarantee of the Minister of Indigenous Services Canada, due November 2022	97,545	106,925
Quilakwa Investments Ltd., demand loan, non-interest bearing, with no set terms of repayment	1,326,033	1,086,398
	<u>1,557,037</u>	<u>1,381,569</u>

Subsequent to year-end Splatsin repaid Quilakwa Investments Ltd. loan of \$1,326,033.

SPLATSIN
NOTES TO SUMMARY FINANCIAL STATEMENTS
March 31, 2019

NOTE A10. DEMAND LOANS (continued);	2019	2018
<u>Band Operations:</u>		
Bank of Montreal, mortgage, repayable in monthly installments of \$490 including interest at the bank's prime rate plus 1.5%, secured by Ministerial Guarantee of the Minister of Indigenous Services Canada	49,790	52,974
Bank of Montreal, mortgage, repayable in monthly installments of \$360 including interest at the bank's prime rate plus 1.5%, secured by Ministerial Guarantee of the Minister of Indigenous Services Canada	30,004	32,679
Bank of Montreal, mortgage, repayable in monthly installments of \$1,390 including interest at the bank's prime rate plus 1.5%, secured by Ministerial Guarantee of the Minister of Indigenous Services Canada	216,146	221,361
Bank of Montreal, mortgage, repayable in monthly installments of \$185 including interest at the bank's prime rate plus 1.5% secured by Ministerial Guarantee of the Minister of Indigenous Services Canada	28,413	29,126
	324,353	336,140
	\$ 1,881,390	\$ 1,717,709
 NOTE A11. MORTGAGES PAYABLE:	 2019	 2018
<u>Band Operations:</u>		
Bank of Montreal, mortgage, repayable in monthly installments of \$407 including interest at 5.2%, secured by Ministerial Guarantee of the Minister of Indigenous Services Canada, due November 2018	\$ 9,716	\$ 13,962
<u>Capital Fund:</u>		
Royal Bank of Canada, demand loan, repayable in monthly installments of \$2,407 including interest at 3.59% per annum secured by Ministerial Guarantee of the Minister of Indigenous Services Canada, due November 2018	75,499	101,166
Bank of Montreal, mortgage, repaid during the year	-	834
	75,499	102,000

SPLATSIN
NOTES TO SUMMARY FINANCIAL STATEMENTS
March 31, 2019

NOTE A11. MORTGAGE PAYABLE (continued):	2019	2018
<u>Social Housing Program:</u>		
All Nations Trust Company, repayable in monthly installments of \$1,471 including interest at 2.52% per annum, due August 2023	<u>73,717</u>	<u>89,343</u>
	<u>\$ 158,932</u>	<u>\$ 205,305</u>

Principal repayments of demand loans and mortgages due in the ensuing 5 years are approximately as follows:

2020	\$ 111,860
2021	101,176
2022	80,144
2023	52,162
2024	44,066

NOTE A12. LONG-TERM DEBT:	2019	2018
<u>Capital Fund:</u>		
First Nations Finance Authority, Promissory Note, repayable in monthly payments of \$42,299 including interest at 3.79%. The debt is secured through a secured revenues trust account with a ratio value of 2.04. Due June 2024	\$ 7,189,870	\$ 7,417,959
First Nations Finance Authority, Promissory Note, repayable in monthly payments of \$31,517 including interest at 2.9%, secured by a secured revenues trust account with a ratio value of 2.04. Due June 2024	7,111,972	7,279,351
First Nations Finance Authority, Promissory Note, repayable in monthly payments of \$10,598 including interest at 2.985%. The debt is secured through a secured revenues trust account. Due June 2024	2,294,513	2,351,516
Debt Reserve Fund investment, the Authority holds a deposit of 5% of the loans advanced in the Debt Reserve Fund. Interest is paid daily at 1.2%	(450,109)	(433,046)
Debt Reserve Fund investment, the Authority holds a deposit of 5% of the loans advanced in the Debt Reserve Fund. Interest is paid daily at 1.05%	(406,393)	(390,987)
Debt Reserve Fund investment, the Authority holds a deposit of 5% of the loans advanced in the Debt Reserve Fund. Interest is paid daily at 0.9%	<u>(135,606)</u>	<u>(130,466)</u>
	<u>\$ 15,604,247</u>	<u>\$ 16,094,327</u>

The Band has constructed a Multi Purpose Community Facility and a gas bar and convenience store located on Enderby Indian Reserve #2. Total financing from First Nations Finance Authority for these projects was \$18,259,622 (less debt reserve balances of 5%). The amount of annual debt servicing costs in connection with the total financing is \$1,012,968. The Band has committed approximately \$1,558,000 of revenue per year to be paid into the Secured Revenues Trust Account. The Secured Revenues Trust Account is managed by a third party which is required to pay amounts to FNFA under the terms of the borrowing agreement before paying any remaining amount from the account to Splatsin.

SPLATSIN
NOTES TO SUMMARY FINANCIAL STATEMENTS
March 31, 2019

NOTE A13. TANGIBLE CAPITAL ASSETS:	2019	2018
Tangible capital assets consist of the following:		
Land	\$ 60,325	\$ 60,325
Roads and bridges	1,281,304	1,311,111
Buildings and Housing	20,579,092	19,886,962
Water Systems	1,069,214	1,089,722
Automotive and Other Equipment	964,685	984,467
Office Equipment	139,396	153,183
Construction in-progress	6,471,940	7,218,838
	<u>\$ 30,565,956</u>	<u>\$ 30,704,608</u>

For additional information, see the Summary Schedule of Tangible Capital Assets (Appendix 1).

NOTE A14. CASH FLOW INFORMATION:

During the year \$619,444 (2018 - \$622,252) of interest was paid.

NOTE A15. ACCUMULATED SURPLUS:	2019	2018
Accumulated surplus consists of individual fund surpluses and reserves as follows:		
Surplus from operations:		
Unrestricted	\$ 14,676,709	\$ 10,565,187
Restricted capital surplus	124,366	124,366
	<u>14,801,075</u>	<u>10,689,553</u>
Invested in tangible capital assets	<u>13,255,456</u>	<u>13,037,370</u>
Investments	<u>658,945</u>	<u>411,551</u>
Funded Reserves:		
Replacement Reserve (CMHC) (Note A3)	49,546	25,680
Ottawa Trust Funds	1,053,801	1,028,184
	<u>1,103,347</u>	<u>1,053,864</u>
	<u>\$ 29,818,823</u>	<u>\$ 25,192,338</u>

SPLATSIN
NOTES TO SUMMARY FINANCIAL STATEMENTS
March 31, 2019

NOTE A16. COMMITMENTS AND CONTINGENCIES:

- a) The Band receives a portion of its funding under a contribution authority with Indigenous Services Canada which, if unexpended, may be refundable to Indigenous Services Canada. Further, amounts which are overexpended may be reimbursed by Indigenous Services Canada to the Band.
- b) Housing Mortgages:
The Band is guarantor of various Housing mortgages, secured by Ministerial guarantees, totaling \$83,433.
- c) The Band is guarantor of various loans to Band members, secured by personal property of the individuals, totaling \$955,991.
- d) Pension Plan:
The Band and its employees contribute to a defined contribution pension plan. There is no obligation for past service or periods in which an employee was not employed. Total contributions to the plan during the year were \$93,022 (2018 - \$80,344).
- e) Under a line of credit arrangement with the Bank of Montreal, the Band may borrow up to \$500,000 on such terms as the Band and the bank may mutually agree upon. This arrangement does not have a termination date and can be withdrawn at the bank's option. At March 31, 2019, the unused portion of the credit line was \$500,000.
- f) Under a line of credit arrangement with the Royal Bank of Canada, the Band may borrow up to \$710,000 on such terms as the Band and the bank may mutually agree upon. This arrangement does not have a termination date and can be withdrawn at the bank's option. At March 31, 2019, the unused portion of the credit line was \$710,000.
- g) The Band has provided a guarantee for the bank indebtedness of Sexqeltkmc Limited Partnership. The Band holds 33% of the partnership units in Sexqeltkmc Limited Partnership. At March 31, 2019, the outstanding loan balances were \$175,000. The maximum liability to the Band with respect to these loans is \$300,000.
- h) The Band leases land and building to Quilakwa Investments Ltd. who operates a convenience store and gas station. The convenience store and gas station has operated for a number of years and it is possible that the site may have become contaminated. No environmental assessment has been performed to date or required to be performed to confirm a contamination. As no contamination has been confirmed and because it is unclear whether the Band would be required under an environmental standard to remediate the site itself no amount has been recorded for remediation costs in the financial statements.
- i) The Band leases office equipment under long-term agreements. Future minimum lease payments are as follows:

2020	\$	58,528
2021		<u>12,576</u>
	\$	<u><u>71,104</u></u>

SPLATSIN
NOTES TO SUMMARY FINANCIAL STATEMENTS
March 31, 2019

NOTE A17. SEGMENTED INFORMATION:

Splatsin is a First Nations government institution that provides a range of programs and services to its members, including band revenue, administration, social development, education, community development, capital works and natural resources. For management reporting purposes the First Nation's operations and activities are organized and reported by fund. Funds were created for the purpose of recording specific activities to attain certain objectives in accordance with special regulations, restrictions or limitations.

First Nation services are provided by departments and their activities are reported in these funds. Certain departments that have been separately disclosed in the segmented information, along with the services they provide, are as follows:

Administration:

Administration supports the development of stable, legitimate and accountable community governments. It also provides overall support of the First Nation including advisory services relating to financial management, band government, economic development, community services and technical services.

Local Revenue:

Local Revenue assists in the maintenance of roads and streets, recreational facilities and provides garbage waste collection, disposal and recycling through revenue raised under local revenue laws.

Splatsin Stsmamlt Services:

Splatsin Stsmamlt Services supports culturally appropriate child and family services for children and families, notwithstanding residences of the child, in the best interest of the child, in accordance with the Bylaw #3 - 1980. Protecting children from neglect and abuse is the main objective of child and family services. It also provides services that increase the ability and capacity of families to remain together and to support the needs of the children in their parental homes and communities.

Infrastructure and Capital Improvements:

Infrastructure and Capital Improvements manages capital projects within the community undertaken to support the growth and/or maintenance of the First Nations infrastructure.

Natural Resource and Title and Rights:

Natural Resource and Title and Rights is responsible for the development of land and resources under community control, access to economic opportunities on land and resources beyond community control, investment promotion, as well as research and advocacy.

Community Operations:

Community Operation supports the construction, operation and basic maintenance of community facilities and services such as water and sewage, roads, electrification, schools and fire protection. It is also responsible for ensuring that the facilities and community services meet recognized standards and are comparable to the services provided to nearby communities by provincial and municipal governments.

Economic Development:

Economic Development manages economic development planning, proposal development, and planning and implementation of ongoing activities and one-time projects.

Education:

Education supports the members in expressing, preserving, developing and promoting its cultural heritage through the establishment and operation of First Nation education centres and programs. It also provides services for students at the elementary/secondary and post secondary level, including; instructional services both on and off reserve as well as support services such as transportation, accommodation, guidance and counselling.

SPLATSIN
NOTES TO SUMMARY FINANCIAL STATEMENTS
March 31, 2019

NOTE A17. SEGMENTED INFORMATION (continued):

Social Development:

Social Development provides assistance to community members unable to provide for themselves and their dependents. The services provided by this department include, but are not limited to, income assistance, child and family services, assisted living and early childhood development.

Health:

Health supports the concept of promoting holistic health, and the Community Health Plan, which is based on health needs identified by a community needs assessment. It provides services to the community with programs such as home and community care, addictions counselling and public health services, as well as children, adult and elder wellness prevention and education programs.

Housing:

Housing is responsible for the administration and management of Social Housing units, Band-owned housing units and renovation projects for private homeowners.

The accounting policies used in these segments are consistent with those followed in the preparation of the summary financial statements as disclosed in Note A1. For additional information see the Statement of Financial Activities - Segmented (Appendix 2).

NOTE A18. ECONOMIC DEPENDENCE:

Splatsin receives a major portion of its revenues pursuant to a funding arrangement with Indigenous Services Canada.

NOTE A19. COMPARATIVE FIGURES:

Certain accounts in the prior year financial statements have been reclassified for comparative purposes to conform with the presentation in the current year financial statements.

SPLATSIN
SUMMARY SCHEDULE OF TANGIBLE CAPITAL ASSETS
Year ended March 31, 2019

	Band Operations							Social Housing Operations	Totals	
	Land	Roads and Bridges	Buildings and Housing	Water Systems	Automotive and Other Equipment	Office Equipment	Construction in-progress	Housing	2019	2018
Cost										
Balance, beginning of year	\$ 60,325	\$ 2,311,761	\$ 27,432,662	\$ 1,615,359	\$ 1,794,938	\$ 362,345	\$ 7,218,839	\$ 1,266,721	\$ 42,062,950	\$ 35,958,106
Add: Additions during the year	-	-	212,511	-	139,638	30,496	579,134	-	961,779	6,164,803
Less: Disposals during the year	-	-	(239,919)	-	-	-	-	-	(239,919)	(59,959)
Transfers	-	-	1,326,033	-	-	-	(1,326,033)	-	-	-
Balance, end of year	60,325	2,311,761	28,731,287	1,615,359	1,934,576	392,841	6,471,940	1,266,721	42,784,810	42,062,950
Accumulated amortization										
Balance, beginning of year	-	1,000,650	7,834,312	525,638	810,471	209,163	-	978,109	11,358,343	10,337,362
Add: Amortization	-	29,807	810,338	20,507	159,420	44,282	-	36,076	1,100,430	1,050,227
Less: Disposals during the year	-	-	(239,919)	-	-	-	-	-	(239,919)	(29,246)
Balance, end of year	-	1,030,457	8,404,731	546,145	969,891	253,445	-	1,014,185	12,218,854	11,358,343
Net Book Value of Tangible Capital Assets	<u>\$ 60,325</u>	<u>\$ 1,281,304</u>	<u>\$ 20,326,556</u>	<u>\$ 1,069,214</u>	<u>\$ 964,685</u>	<u>\$ 139,396</u>	<u>\$ 6,471,940</u>	<u>\$ 252,536</u>	<u>\$ 30,565,956</u>	<u>\$ 30,704,607</u>

See accompanying notes to financial statements.

SPLATSIN
STATEMENT OF FINANCIAL ACTIVITIES - SEGMENTED
Year ended March 31, 2019

	Admini- stration	Local Revenue	Splatsin Stsmamlt Services	Infrastructure and Capital Improvements	Natural Resource and Title and Rights	Community Operations	Economic Development	Education	Social Development	Health	Housing	Total 2019	Total 2018
REVENUE:													
Indigenous Services Canada	\$ 444,398	\$ -	\$ 2,861,574	\$ 406,830	\$ -	\$ 297,190	\$ 73,330	\$ 1,872,751	\$ 1,414,865	\$ -	\$ 26,091	\$ 7,397,029	\$ 11,263,022
First Nations Health Authority	-	-	-	-	-	-	-	-	-	1,385,106	-	1,385,106	1,399,448
Consulting and contract	946,684	84,681	204,618	-	746,474	-	144,450	317,851	-	-	-	2,444,758	2,237,398
Forest Consultation and Revenue Sharing Agreement	1,779,258	-	-	-	-	-	-	-	-	-	-	1,779,258	1,150,829
Income from investment in Splatsin business enterprises	2,240,963	-	-	-	(40,488)	-	-	-	-	-	-	2,200,475	1,460,053
Interest and dividend income	92,714	5,379	953	-	-	89,403	-	-	6	9,443	3,951	201,849	119,418
Canada Mortgage and Housing Corporation	-	-	-	-	-	-	-	-	-	-	10,150	10,150	20,480
Leases, rentals and grants in lieu	45,725	161,183	-	-	-	-	-	-	-	-	289,457	496,365	575,918
Miscellaneous and recoveries	111,252	-	171,339	120,000	-	155,489	-	222,731	-	69,899	23,546	874,256	1,004,433
	<u>5,660,994</u>	<u>251,243</u>	<u>3,238,484</u>	<u>526,830</u>	<u>705,986</u>	<u>542,082</u>	<u>217,780</u>	<u>2,413,333</u>	<u>1,414,871</u>	<u>1,464,448</u>	<u>353,195</u>	<u>16,789,246</u>	<u>19,230,999</u>
EXPENSES:													
Assistance	-	-	1,279,097	-	-	-	-	256,064	47,162	-	-	1,582,323	1,491,375
Amortization	220,834	-	-	-	8,593	683,088	-	39,583	-	71,361	76,971	1,100,430	1,050,226
Automotive	-	-	80	-	-	22,385	-	14,369	-	18,207	923	55,964	44,164
Basic Needs	-	-	-	-	-	-	-	-	906,755	-	-	906,755	800,535
Community infrastructure	-	-	-	-	-	32,295	-	-	-	-	-	32,295	60,023
Contract services	657,323	14,000	233,950	7,000	202,264	228,832	37,872	126,191	133,671	465,951	29,545	2,136,599	1,768,333
Education	-	-	-	-	-	-	-	598,355	-	9,332	-	607,687	611,885
Honorarium	-	-	-	-	4,343	-	-	-	-	-	-	4,343	1,200
Insurance	10,567	-	3,979	-	1,206	37,514	-	7,006	-	12,110	34,360	106,742	103,064
Interest and bank charges	16,379	44	-	-	-	384	-	1,995	2,463	1,175	6,771	29,211	25,688
Interest on debt	-	-	-	48,146	-	556,475	-	-	-	-	4,883	609,504	618,147
Leases	70,386	-	-	-	-	9,600	-	-	-	-	-	79,986	68,786
Licences, dues and fees	1,596	-	1,183	-	-	60	-	-	-	-	-	2,839	3,732
Materials and supplies	71,270	24	11,454	148	5,834	8,949	39	149,797	6,210	45,462	4,387	303,574	367,300
Office and other	185,122	87,055	279,752	-	15,755	49,855	-	22,464	-	50,620	69,217	759,840	673,968
Professional fees	57,294	-	72,420	-	60,789	-	-	322	-	150,000	2,400	343,225	288,892
Repairs and maintenance	-	-	2,751	1,638	-	27,759	69,585	14,418	-	-	54,067	170,218	103,194
Special Needs	-	-	-	-	-	-	-	-	22,287	-	-	22,287	18,430
Travel	138,797	-	77,327	-	17,851	177	-	54,070	4,618	73,463	1,728	368,031	335,624
Utilities	608	-	-	15,188	-	87,681	-	8,975	-	9,260	36,388	158,100	161,971
Wages and benefits	1,042,516	-	718,930	-	257,239	230,527	-	695,661	116,992	421,481	88,212	3,571,558	3,657,632
	<u>2,472,692</u>	<u>101,123</u>	<u>2,680,923</u>	<u>72,120</u>	<u>573,874</u>	<u>1,975,581</u>	<u>107,496</u>	<u>1,989,270</u>	<u>1,240,158</u>	<u>1,328,422</u>	<u>409,852</u>	<u>12,951,511</u>	<u>12,254,169</u>
EXCESS (SHORTFALL) OF REVENUE OVER EXPENSES	\$ 3,188,302	\$ 150,120	\$ 557,561	\$ 454,710	\$ 132,112	\$ (1,433,499)	\$ 110,284	\$ 424,063	\$ 174,713	\$ 136,026	\$ (56,657)	\$ 3,837,735	\$ 6,976,830

See accompanying notes to financial statements.

SPLATSIN
STATEMENT OF FINANCIAL ACTIVITIES - SEGMENTED
Year ended March 31, 2018

	Admini- stration	Local Revenue	Splatsin Stsmamlt Services	Infrastructure and Capital Improvements	Natural Resource and Title and Rights	Community Operations	Economic Development	Education	Social Development	Health	Housing	Total 2018
REVENUE:												
Indigenous Services Canada	\$ 745,477	\$ -	\$ 2,796,288	\$ 4,759,569	\$ -	\$ 268,253	\$ 42,480	\$ 1,646,683	\$ 970,850	\$ -	\$ 33,422	\$ 11,263,022
First Nations Health Authority	-	-	-	-	-	-	-	-	-	1,399,448	-	1,399,448
Consulting and contract	235,930	87,971	361,931	-	1,274,800	44,610	-	232,156	-	-	-	2,237,398
Forest Consultation and Revenue Sharing Agreement	1,150,829	-	-	-	-	-	-	-	-	-	-	1,150,829
Income from investment in Splatsin business enterprises	1,442,308	-	-	-	17,745	-	-	-	-	-	-	1,460,053
Interest and dividend income	59,369	3,413	-	-	-	53,196	-	-	4	1,897	1,539	119,418
Canada Mortgage and Housing Corporation	-	-	-	-	-	-	-	-	-	-	20,480	20,480
Leases, rentals and grants in lieu	100,731	153,777	-	-	-	-	-	-	-	-	321,410	575,918
Miscellaneous and recoveries	152,725	-	187,556	120,000	-	191,470	-	244,983	-	107,699	-	1,004,433
	<u>3,887,369</u>	<u>245,161</u>	<u>3,345,775</u>	<u>4,879,569</u>	<u>1,292,545</u>	<u>557,529</u>	<u>42,480</u>	<u>2,123,822</u>	<u>970,854</u>	<u>1,509,044</u>	<u>376,851</u>	<u>19,230,999</u>
EXPENSES:												
Assistance	-	-	1,247,092	-	-	-	-	188,833	55,450	-	-	1,491,375
Amortization	194,814	-	-	-	5,780	676,466	-	27,376	-	68,819	76,971	1,050,226
Automotive	633	-	-	-	-	25,383	-	9,409	-	8,229	510	44,164
Basic Needs	-	-	-	-	-	-	-	-	800,535	-	-	800,535
Community infrastructure	-	-	-	-	-	60,023	-	-	-	-	-	60,023
Contract services	308,286	12,000	124,284	-	547,673	260,132	38,232	103,135	22,733	328,530	23,328	1,768,333
Education	-	-	-	-	-	-	-	611,267	-	618	-	611,885
Honorarium	-	-	-	-	1,200	-	-	-	-	-	-	1,200
Insurance	10,192	-	1,621	-	1,220	38,326	-	5,873	-	11,612	34,220	103,064
Interest and bank charges	19,614	15	-	-	-	736	-	2,625	1,646	1,052	-	25,688
Interest on debt	-	-	-	48,146	-	556,475	-	-	-	-	13,526	618,147
Leases	68,786	-	-	-	-	-	-	-	-	-	-	68,786
Licences, dues and fees	3,222	-	510	-	-	-	-	-	-	-	-	3,732
Materials and supplies	106,287	155	11,410	11,994	5,073	15,695	-	167,462	4,113	38,576	6,535	367,300
Office and other	174,567	21,150	279,315	-	23,636	40,094	-	26,734	-	30,264	78,208	673,968
Professional fees	69,125	-	22,498	-	52,226	-	-	143	-	142,500	2,400	288,892
Repairs and maintenance	1,614	-	828	11,898	-	34,794	-	10,966	-	-	43,094	103,194
Special Needs	-	-	-	-	-	-	-	-	18,430	-	-	18,430
Travel	123,466	1,145	47,265	-	15,871	4,712	-	59,312	2,382	80,281	1,190	335,624
Utilities	718	-	-	-	-	116,576	-	5,967	-	10,109	28,601	161,971
Wages and benefits	943,277	358	795,886	-	236,238	188,636	-	616,901	108,229	670,102	98,005	3,657,632
	<u>2,024,601</u>	<u>34,823</u>	<u>2,530,709</u>	<u>72,038</u>	<u>888,917</u>	<u>2,018,048</u>	<u>38,232</u>	<u>1,836,003</u>	<u>1,013,518</u>	<u>1,390,692</u>	<u>406,588</u>	<u>12,254,169</u>
EXCESS (SHORTFALL) OF REVENUE OVER EXPENSES	\$ 1,862,768	\$ 210,338	\$ 815,066	\$ 4,807,531	\$ 403,628	\$ (1,460,519)	\$ 4,248	\$ 287,819	\$ (42,664)	\$ 118,352	\$ (29,737)	\$ 6,976,830

See accompanying notes to financial statements.